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DAILY REPORT

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'SCOURGE' OF VIOLENCE' STRIKES' GUATEMALA

PA301324 Havana International Service in Spanish 0000 GMT 27 Jun 87

[Report by Amalia Sanmartino]

[Text] President Vinicio Cerezo made the commitment to adopt measures to reduce violence in the country. However, the scourge of kidnappings and murders once more strikes Guatemala, with an intensity similar to that in previous military regimes.

The problem surfaces daily when bodies are found in hidden burial grounds like the one recently found in the Sacatepequez Department.

According to press reports, six bodies of people who had been kidnapped by the Army in 1981 were found, and as a demonstration of the impurity displayed by the assassins, next to the dead their identity documents were found, together with the loop used to choke them and the spent shells used for the coup de grace.

The remains belonged to members of the (Machan as Pop) family, but this case was not unique, as violence has again taken over Guatemalan cities and streets. Statistics disclose that during the months of February, March, and April of 1987, there were 404 victims, including dead, injured, tortured, kidnapped, and those whose lives were threatened.

The official explanations are that the victims are common criminals, but the increase in acts of violence makes one believe Guatemala is returning to the condition of repression of previous years. Although it is true that during the first months of the Cerezo government crimes of this nature seemed to decrease, at this moment everything seems to indicate military-police repression prevails and authorities do not want or cannot halt it.

While the president remains silent or weakly denies the increase in violence, the truth is that to end it he should have dismantled the repressive apparatus which remains intact and will continue its actions as long as no change comes about.

APPROVAL OF ARGENTINE OBEDIENCE LAW CRITICIZED

PA301300 Havana International Service in Spanish 2300 GMT 26 Jun 87

["Our America" commentary read by Norberto Hernandez]

[Text] Only 2 days ago on the same day, the Argentine Supreme Court of Justice determined that the controversial due obedience law is constitutional and ordered the release of two policemen and a doctor who followed orders given by General Ramon Camps when he was chief of the Buenos Aires Province police department.

The simultaneity of those decisions seems to have caused the acquittal and release of hundreds of policemen, who carried out the dirty work -- as the Argentine police department calls it. In other words, they tortured and killed those who they had legally or illegally arrested.

Undoubtedly, the initial rulings of the Argentine Supreme Court of Justice have been constitutionally and legally projected with significant force to wherever similar causes exist. Therefore it is taken for granted that approximately 400 military men will be released in the coming days.

For the time being, the Buenos Aires Federal Chamber already exonerated all the military personnel who carried out activities in the sinister Navy Mechanics School, the greatest center of torture that existed in Argentina during the years of the dictatorship.

Similarly in Cordoba Province, most of the officers accused of commiting aberrant crimes in the clandestine detention camp known as La Perla, were excused from trial. In that camp hundreds of people were murdered.

Among those favored with the Supreme Court decision is Major Ernesto Barreiro, the leader of the military rebellion that took place in April and a very well-known ultrarightist figure.

The application of the Due Obedience Law has caused vigorous reactions from humanitarian organizations, which stated the danger of such a law is it could absolve high-ranking officers who ordered their subordinates to commit crimes.

A few months ago when the debates on the Due Obedience Law began, the comments made by all sectors were centered on the danger represented by the reorganization of the freed murderers, because they could again commit the same types of crimes.

Now it seems the threat is becoming a tragic reality in the Argentine society, because on 21 June, Facundo Suarez, head of the National Intelligence Center, said that although lacking capacity for action, ultrarightist groups are reorganizing in order to subvert constitutional order.

It has been repeatedly said that by promulgating the Due Obedience Law, the Argentine Government is carrying a heavy responsibility on its shoulders. The future will determine when will such a weight become unbearable.

HAITI'S REGALA THREATENS TO REPRESS STRIKE ACTIONS

FL292139 Havana Radio Reloj Network in Spanish 1952 GMT 29 Jun 87

[Text] Supported by the vast majority of trade union, political, and democratic organizations, Haitians awoke today to a general strike threatened by government repression. The entire trade sector closed for business today and private and union transportation workers will halt traffic in Port-au-Prince and other cities. Barricades were set up last night on major roads.

Genral William Regala, Haitian interior minister and member of the National Council of Government, admitted he would order the repression of any violent act or attack against public property. Each threat corroborated the reigning impression in Port-au-Prince that the transitionary government is attempting to extend its term in office. The first step in this direction was the proclamation of an electoral law that violates constitutional rights.

SEAGA, RAINFORD, CHARLES SPEAK AT CARICOM SUMMIT

FL301630 Bridgetown CANA in English 0213 GMT 30 Jun 87

[By Trevor Simpson]

[Text] Castries, St Lucia, June 29 CANA -- Jamaica tonight called for a rethinking of the tariff-protected Caribbean Common Market Free Trade System, which it said was inhibiting the growth of important industrial development.

The call by Prime Minister Edward Seaga came as Caribbean Community (Caricom) leaders opened their eighth summit here with a string of speeches underscoring the challenges ahead for the 14-year-old grouping.

Seaga, one of seven speakers at the three-hour official opening, acknowledged that Caricom's high tariff barriers against extra-regional goods had helped "many fledgling industries to make a start," but to retain them would be to limit the scope of regional industries to a 12-country market "of five million persons with relatively low purchasing power," he said.

"If trade within the region is to grow, and if industry is to be developed it is imperative that we now rethink the closed-shop model which has characterized Caricom to date and instead put in place a trade regime and a tariff structure, which opens up the possibilities of wider markets for our producers," Seaga told regional colleagues assembled in the conference room at the sprawling La Toc Hotel. "So long as Caricom remains insulated from the trade of the wider world beyond, so long will there be no incentive for investment and industrial development within the region," he added.

Intra-regional trade, which declined by a record 33 per cent last year compared with 1985, will be a key agenda item at the summit, which moves into its first full working day tomorrow.

Caricom Secretary General Roderick Rainford described the 1986 performance as "very discouraging" and said it "presented a historic challenge for action...to turn the tide around." Fortunately, he said, the challenge comes at a time "when the political climate in the community is becoming more and more propitious for positive advancement and cooperation."

Dominica Prime Minister Eugenia Charles, in a forthright 15-minute address, criticised Caricom for spending too much on "numerous regional agencies and organisations." She said Dominica wanted to see a regular stock-taking of these entities and the service they offer -- at least every five years. "There were some...agencies and organisations which should never have been created. There are others which have outlived their usefulness and still others which might have been functional once upon a time, but have since chosen the wrong path and therefore should be brought back on stream if they are to continue serving our people," she declared.

Caricom's lone woman leader said that unless the grouping succeeds in improving the quality of life of regional peoples, it should be abandoned. "We must emphasize that we are not in Caricom merely to show that there is unity among us in the English-speaking Caribbean...."

She criticised the continued existence of the Caricom rule which requires unanimity of decision-making and wondered why foreign citrus concentrate was still coming into the region in preference to that available from countries like her own.

Before the speeches, the leaders, delegates and invited guests stood in one minute silence to the memory of the late Barbados' Prime Minister Errol Barrow. The co-founder of Caricom, who died June 1 of a heart attack, was variously described by the several speakers as a "founding father" of the regional integration movement, a "polished statesman" and a "truly Caribbean man."

HAITI

STRIKES, DEMONSTRATIONS BRING DEATH, CLASHES

PA010113 Madrid EFE in Spanish 0014 GMT 1 Jul 87

[Text] Port-au-Prince, 30 Jun (EFE) -- Today three people were killed and a few others injured in Soleil, in clashes between soldiers and demonstrators who are protesting the National Government Council (CNG).

Soleil, a very populous city near the capital, was the site of clashes between demonstrators and soldiers, who carried machineguns and tear gas bombs.

Meanwhile, it was reported that an undetermined number of people were injured when a gas station exploded in Cap Haitien.

Despite the violence, the CNG, headed by General Henri Namphy, has not commented on the events which have been on the increase following a strike that began last week and which continued on Monday.

Many people were taken to the General Hospital with broken arms and lacerations.

The demonstrators threw stones at the soldiers, who responded by shooting into the air and by using tear gas bombs.

Recently, the Haitian militia received $5 million in equipment and training from the United States.

A strike called for by a group of political organizations grouped under the name of th Haitian Democratic Front [Frente Democratico Haitiano] primarily halted the transportation sector. The strike was called to protest against the CNG.

The police reported that southern Port-au-Prince is virtually paralyzed because of the incidents taking place in the 2d consecutive week of the general strike.

The Autonomous Labor Union of Haitian Workers [Union Autonoma de Trabajadores Haitianos] last week called a successful stoppage that took place on Monday and Tuesday in the most important parts of the country.

The electoral law promulgated on 22 June by the CNG eliminated the supervisory function of the electoral council, an organization composed of nine organizations, which was created by the Constitution to make sure the Haitian elections are clean.

The CNG electoral law places election supervision in the hands of the Interior Ministry. The Electoral Council remains as a "filing" office for the results of the August municipal elections and the upcoming general elections.

On Monday, it was reported that several demonstrators were arrested. It was also reported that in the northern city of Cap Haitien, several people were injured in clashes with the Army.

1 Dead, 4 Wounded

FL301432 Bonaire Trans World Radio in English 1130 GMT 30 Jun 87

[Text] Haiti -- One person has died and four have been wounded in a 24-hour-strike. A soldier shot a man dead during the clearing of a barricade in Cap Haitien and three others were wounded. In the capital Port-au-Prince, a man was wounded by military gunfire. Monday's strike brought life on Haiti to a virtual standstill, backed by most of the country's trade unions and dozens of other organizations in protest against a government decision to organize general elections. Opposition parties say that elections can only be held under the guidance of an electoral watchdog group. Last week a government decree was issued to sidestep the provincial electoral council to establish rules for local elections. Nine key political candidates said the decree was in conflict with the terms of the Constitution, and announced their intentions to boycott local elections, August 23d, and presidential elections in November.

JAMAICA

PRIME MINISTER MANLEY BACK AT HELM OF PNP

FL301652 Bridgetown CANA in English 1918 GMT 29 Jun 87

[Text] Kingston, Jamaica, June 29, CANA -- Former Jamaica Prime Minister Michael Manley is fully back at the helm of his opposition People's National Party (PNP).

Manley, sidelined since April after intestinal surgery, yesterday chaired his first meeting of the party's National Executive Committee (NEC), signalling his full return to party work. Earlier he had attended a thanksgiving service at the St James Anglican Cathedral in the old capital of Spanish Town, organised by supporters. I am feeling fine now, said the 61-year-old Manley, who started to get back into party work earlier this month.

During his absence the day-to-day work of the party was overseen by chairman, P.J. Patterson, apparently establishing him at the head of the line for succession, ahead of the PNP's four vice presidents, should Manley leave the scene.

DE LA MADRID TALKS WITH ARGENTINE PRESIDENT VIEWED

FL292109 Mexico City NOTIMEX in Spanish 0327 GMT 25 Jun 87

[Excerpt] Mexico City, 24 Jun (NOTIMEX) -- The meeting between Mexican President Miguel de la Madrid and Argentine President Raul Alfonsin in Ixtapa-Zihuatanejo has ended. The two presidents confirmed the ties of cooperation and friendship between the two nations and agreed on the need to strengthen Latin American integration. They discussed several agreements and topics, including: the foreign debt that burdens Latin American countries; the Central American conflict; regional integration, both political and economic; disarmament; and bilateral cooperation.

Both leaders expressed their concern over the international financial situation, especially increased interest rates and their impact on the balance of payments of the nations of this hemisphere.

It should be pointed out that Mexico and Argentina owe international banks $101 billion and $50.5 billion, respectively. This, added to the debt of the rest of the Latin American countries, totals $380 billion.

In view of this situation, they stressed the need to strengthen mechanisms to coordinate action in foreign negotiations and intensify the exchange of information on this topic. They mentioned the strengthening of the Cartagena Consensus as the most feasible course to follow.

The talks between De la Madrid and the Alfonsin have reinformed the proposals for world peace, since as members of the Group of Six, along with Sweden, India, Greece, and Tanzania, they called for an immediate accord on nuclear arms control and reduction in anticipation of the next summit of the Group that will be held in Stockholm, Sweden at the beginning of 1988.

Another importnat thing they agreed on was the pressing need to resume talks among the presidents of the five Central American nations. In this connection, they gave instructions to their foreign ministers to make this the primary topic at the next ministerial meeting of the Contadora Group (made up of Mexico, Colombia, Venezuela, and Panama), so political and economic integration can be established.

In this respect, Alfonsin commented on the need to give impetus to the actions of the Group of Eight in view of the latent danger of a widespread war in Central America. This group might meet on the subject before the end of 1987.

As to relations between Mexico and Argentina, these were strengthened after Alfonsin came to power in 1983, when the first constitutional government since 1976 was established.

Since then, dialogue between the two nations has progressed in quality and depth, as demonstrated by the results of this meeting and earlier technical and commercial accords. [passage omitted]

PEMEX EXPORTS INCREASE; NUCLEAR PLANT TO START

PA301326 Mexico City EL DIA in Spanish 20 Jun 87 pp 1, 8

[Reports by Alfredo Marquez]

[Excerpts] At a news conference held yesterday, Jose Luis Alcudia, under secretary of SEMIP [Mexican Energy, Mines, and Parastate Industry Secretariat] said Mexican Petroleum will make an additional $1 billion during the first half of 1987. The money is in addition to what had been budgeted, and it comes from the increase in oil prices. During the first half of 1987, Mexican oil will be sold at over $16 dollars per barrel, $4 more than was expected.

Alcudia also pointed out that this year, Pemex will contribute $6 billion to the national economy -- 75 percent of its export sales, which will total approximately $8 billion in 1987.

In addition, Alcudia announced that the Laguna Verde Nuclear Electrical Plant will start operating this year first with some tests and then for commercial use when the National Commission for Nuclear Safety and Safeguards issues the required license. Alcudia added that there is no delay in the construction of the center.

After announcing that in the first half of 1987 Pemex will make $3.92 billion in oil exports -- $1 billion dollars of which is in addition to what was budgeted -- SEMIP Secretary Alcudia said that according to the OPEC agreement, its oil inventories, and the oil supply and demand situation, a barrel of oil will cost $18 on the international market this year and a Mexican barrel will cost over $16. [passage omitted]

Regarding Mexico's oil contracts with its clients, it was announced that Mexico will sell 8,000 barrels per day to Guatemala within the framework of the San Jose agreement. Alcudia said that the Mexican energy sector, which depends exclusively on SEMIP, has not received any request from Nicaragua to resume the oil supply. [passage omitted]

BRIEFS

COCAINE SEIZURE -- The Drugs Control Directorate of the Attorney General's office announced yesterday that so far this year, the authorities have seized 236 kg of cocaine and 262,243 kg of marijuana. They also cleared 1,677 hectares of land of poppy and marijuana plantations. This office reported that the authorities also dismantled a laboratory for the production of drugs and in so doing also destroyed 116 kg of opium and heroin gum. During the period, the authorities seized 734 land vehicles, 17 airplanes, 8 ships. and 936 firearms. A total of 4,057 alleged drug traffickers were arrested. [Summary] [Mexico City EL NACIONAL in Spanish 17 Jun 87 p 6 PA]

DUARTE COMMENTS ON AUG CENTRAL AMERICAN SUMMIT

PA300526 Panama City ACAN in Spanish 0056 GMT 30 Jun 87

[Text] San Salvador, 29 Jun (ACAN-EFE) -- Salvadoran President Jose Napoleon Duarte announced today that he will present two observations on Oscar Arias' peace plan. One is that "a climate of trust based on democracy must be installed in Nicaragua; the other is that Nicaragua must stop being a sanctuary of the Salvadoran guerrilla movement."

However, Duarte said that he is ready to attend the Central American presidential "summit," "even though Nicaragua is not going to accept conditions for the establishment of democracy."

Duarte made these statements after presiding over -- along with top Salvadoran military leaders -- the ceremony of the first promotion of pilots of the "Guillermo Cortes" school at the Ilopango Military Airport, 9 km from San Salvador.

Duarte was pessimistic about the success of the presidential "summit" when referring "to the failure of the foreign ministers' meetings, which are necessary to achieve a minimum consensus among the area presidents."

"We are going to attend that meeting dispassionately. We are going to meet with each other and we do not know what will happen; I even fear the meeting will be a failure," Duarte said, referring to the suspension of the two Central American foreign ministers' meetings.

The presidential "summit," which first was going to be held on 25-26 June in Guatemala, was postponed for 6-7 August, after Salvadoran President Duarte proposed three or four foreign ministers' meetings take place before the summit is held.

The peace plan presented by Costa Rican President Oscar Arias will be discussed at "Esquipulas II;" however, Duarte said that several foreign ministers' meetings should be held before the summit to incorporate modifications into the original plan.

At a brief news conference given at the Air Force military installations, Duarte said: "El Salvador will ask Nicaragua to commit itself to remove the entire center of operations of the Salvadoran guerrilla movement."

The Salvadoran president insisted that a condition for achieving peace in the area is that Nicaragua stop meddling in the El Salvador's internal affairs.

Duarte explained that "the most important thing is to understand the message of the Arias plan, which states that peace will be possible only if democracy is established in Central America."

Based on that view, Duarte said that there is no freedom of press in Nicaragua, that there is political persecution and repression, "and that so long as that exists, the meeting of Central American presidents will not be successful."

"Nicaragua will not accept the condition that there must be democracy in the area," Duarte stressed.

GOVERNMENT ASKS CONTADORA TO CALL MINSTERS' MEETING

PA272056 Tegucigalpa EL HERALDO in Spanish 25 Jun 87 p 3

[Text] Yesterday the Honduran Government asked the Contadora Group to call a meeting of the five Central American foreign ministers, and it again offered the port of Tela as the site of the meeting, thus reestablishing the "full competence" of the Latin American forum over the isthmian crisis.

The request was made in a note sent by Honduran Foreign Minister Carlos Lopez Contreras to his colleagues of the Contadora Group, comprised of Mexico, Panama, Colombia, and Venezuela, and its Support Group -- Peru, Argentina, Brazil, and Uruguay. The message also stressed that "Honduran efforts" to carry out the foreign ministers' meeting with the intention of preparing the presidential summit have not been sufficient to overcome the "persistent blocking" by certain governments.

The Honduran request is based on the fact that because of the repeated thwarting of direct negotiations among the Central American nations, "it would seem wise to reiterate to Contadora its full competence in the mediation of the Central American situation."

The Honduran Foreign Ministry argues that it would go against its people's and the peoples of the region's wills for the deadlock of the peacemaking efforts to be "prolonged indefinitely." The Foreign Ministry therefore supports the reinitiation of the multilateral talks through the Contadora Group.

The Honduran Foreign Ministry recalled that 4 years of negotiations within the framework of the Latin American forum "led to agreements on approximately 90 percent of the topics discussed."

Although the Honduran message to the Contadora and Support Groups foreign ministers does not expressly state this, the government's request is the last blow the peace plan proposed by Costa Rican President Oscar Arias Sanchez can resist to remain alive.

AZCONA URGES REGIONAL FOREIGN MINISTERS' MEETING

PA291549 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 26 Jun 87

[News conference by President Jose Azcona Hoyo with unidentified reporters; place and date not given -- recorded]

[Excerpt] [Passage omitted] [Reporter] Mr President, what is your opinion on the decision by Nicaraguan President Daniel Ortega to attend the presidential summit in Guatemala?

[Azcona] Yesterday I received a telex containing the communique signed with Panamanian President Delvalle in which Ortega decides to attend on 6 and 7 August. Those are the dates upon which we agreed with President Cerezo of Guatemala during his visit to Honduras on 12 June. This date also was agreed upon by Presidents Napoleon Duarte and Arias. I believe it is important and very good that he has accepted those dates. However, it is also necessary that we hold prior meetings with the foreign ministers to put the finishing touches on the document that might be signed at that presidents meeting in Guatemala.

It is not possible to attend without some previous agreement. That is easy to understand. The foreign ministers should meet, and the fact that they were not able to do so in Tela today or tomorrow does not mean there is not sufficient time to hold the three meetings on which we agreed with the Guatemalan and Salvadoran presidents: the first meeting in Honduras, the second in Nicaragua, and the third in El Salvador -- foreign ministers, that is. This would allow the finishing touches to be made and allow for more information and a little bit more support for the presidents meeting in Guatemala.

[Reporter] Was the suspension of this foreign ministers' meeting a boycott?

[Azcona] I do not want to use harsh words for these things. We are facing strong ideological confrontation in Central America. We are not going to deny this. Every time there is this type of confrontation it becomes difficult to arrive at an agreement. However, all our good will and the desire for tranquillity in the area does make me believe we can end up signing documents that might actually serve as instruments in attaining that tranquillity. [passage omitted]

RESULTS OF ARMED FORCES ANTICRIME CAMPAIGN CITED

PA290425 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 26 Jun 87

[Text] The 1st day of the anticrime operation began on 24 June, in the northwestern zone, with the combined participation of the Public Security forces [FUSEP] and the Armed Forces. In Puerto Cortes alone, combined FUSEP and Naval Force patrols detained some 200 people who did not have proper identification papers. They were transferred to police garrisons while their status of legally documented honest citizens is confirmed. It was also reported that during this operation, another of the criminals who held up a cigarette distribution van was arrested. That incident took place a few days ago on the road tat lead to Cuyamel hamlet. The man detained is called Jesus Alberto Escobar, alias "Tungo." He will be transferred to the local National Department of Investigations for questioning. The other two suspects in the robbery are in jail at the penal center.

The amount of weapons and vehicles confiscated has been reported: from Copan Department it was reported that combined patrols of the 12th Infantry Battalion detained 27 people without proper identity papers, including 12 prostitutes. In addition 14 firearms of various caliber were confiscated as were 14 vehicles whose owners did not have registry papers. In the same operation, 25 smugglers were arrested caught trying to illegally bring in from Guatemala merchandise worth 15,000 lempiras, according to 2d Lieutenant Edmundo Hinestroza Padilla.

D'ESCOTO DELIVERS LENIN PRIZE SPEECH IN USSR

PA211545 Managua BARRICADA in Spanish 19 Jun 87 p 3

["Excerpts" of speech by Foreign Minister Miguel D'Escoto at ceremony in the Soviet Union to receive the Lenin Peace Prize -- no date given]

[Text] (...) This evening, the International Lenin Prize Committee has decided to publicly acknowledge the extraordinary struggle of the people of Sandino in defense of principles that must be respected so that there may be peace among men and nations. It has chosen to make this acknowledgment through me.

We have been asked many times what is the outlook for Nicaragua in this very unequal struggle with the most powerful empire the world has ever known. We respond by asking the people to think carefully about what would be the outlook for mankind and for the independence of most of the countries of the world if there were not people like the Nicaraguan people who are so firmly committed to the defense of the principles of self-determination and nonintervention. When our people defend the principle of the sovereign equality of all states, regardless of their military or economic might, they are defending and struggling for peace in Nicaragua and the world.

(...) By agreeing to sign the proposals which the Contadora Group has made to prevent the U.S. war against Nicaragua from provoking a regional conflict, Nicaragua has in a practial and specific way defended the cause of peace.

Nicaragua's insistence on direct talks with the United States to normalize bilateral relations and to set the basis for the construction of fair relations between the two states is the best evidence that Nicaragua has always struggled for peace.

Without Justice There Is No Peace [subhead]

The greatest threat to peace has always been, as it is today, the stubborn position of those who struggle against the progress of mankind toward more just and humane forms of coexistence among people and nations. That bitter struggle against the irreversible advances of history today is made evident by flagrant disrespect for the norms of international coexistence established by the UN Charter and for international law, against which a plan is being implemented to weaken it, to destroy it, and to replace it with a barbarian concept of the right of force.

That bitter struggle against peace is also manifested in the form of pressure, pretexts, and obstacles against the advance of general negotiations to establish a new international economic order, something that fairness demands and without which there will never be peace. The ever-growing gap between those who have much, too much, and the ever-growing huge majority that has nothing, is at time bomb that is more explosive and dangerous than all the weapons built by man.

The clinging, by some, to an arms race, even to the extreme that they want to take it to space -- even if doing so means incurring unimaginable expenditures of resources that could and should be used to eliminate hunger in the world and to promote a more balanced development of the economies of the nations of the world, an essential objective to reach peace -- represents a threat to peace.

(...) The selfish practice of a powerful minority of people who hoard resources and advances that belong to mankind is a threat that could turn the world into an unimaginable hell. Many will say, and I agree, that this is beginning to happen, but we believe that the process is still reversible and that it is possible to secure peace without provoking a universal insurrection by the poor of the earth against those who, clinging to an old mentality, defend the morally unacceptable privileges of an elite.

No one should feel he is exempt of sin. Self-criticism is a must to reach the peace we all want. Those of us who acknowledge Lenin as an apostle of peace must renew our individual and collective commitments to his wise principles that represent essential elements of a new mentality that will make peace possible.

Those of us who acknowledge Christ as our savior must aim our actions at the construction of fraternity, justice, and peace, accepting -- as Christ did -- that inevitably we will be persecuted and even crucified, by those who want to maintain an unjust order of exploitation and privileges.

Those of us who, like Benito Juarez, believe that "peace is showing respect for the others' rights," must become tireless defenders of the rights of all people to freely choose their own political, economic, and social system.

For the Defense of Life [subhead]

The children of Sandino must reaffirm our commitment to the defense of the rights that 11 countries, big and small, have to build their democracies and participatory systems in line with their own history, their own idiosyncracy, their own culture, and their own national interests. We must always remember that Sandino said: "I believe that the most important obligation of any good Nicaraguan citizen is to work for peace in Nicaragua, but for a dignifying peace, not the peace of a slave."

(...) On behalf of the heroic people of Nicaragua who are the victims of the terrorist practices of those who insist on overthrowing our government and destroying our revolution, and of myself, I thank you for this high honor being bestowed on us through awarding us the Lenin Prize. As an homage to that grand apostle of peace, who carried out a struggle and held principles with which we are identified, we commit ourselves to never abandon the search for a dialogue and to always being creative in the use of all peaceful means to overcome the external aggression we are enduring.

DEFENSE MINISTRY REPORTS MAY, JUNE ACTIONS

PA062144 Managua Domestic Service in Spanish 2358 GMT 5 Jun 87

[Communique issued by the Defense Ministry's public relations section in Managua on 5 June]

[Text] From 5 May to 5 June, EPS troops, with the support of the Interior Ministry, continued to defeat the mercenary Somozist troops during 315 combat actions that caused 558 mercenary casualties -- including 440 dead -- and allowed the recovery of many military supplies.

The combat took place mainly in Quilali, Santa Clara, and San Juan del Rio Coco in Nueva Segovia Department; Nueva Guinea, Muelle de los Bueyes, and San Pedro del Norte in Zelaya Department; El Almendro, in Rio San Juan Department; Santo Domingo, Villa Revolucion, and La Gateada in Chontales Department; San Andres de Bocay, Amaka, San Rafael del Norte, Pantasma, and Asturias in Jinotega Department; and Mulukuku, Rancho Grande, Rio Blanco, and Rio Bocana de Paiwas in Matagalpa Department.

During this time, our troops, including permanent, militia, and reservist forces and members of the Interior Ministry, sustained 139 deaths.

As part of the terrorist policy implemented by the Somozist mercenary forces against the civilian population and our country's economy, the counterrevolutionaries carried out 47 actions, an increase over the 42 actions carried out during the last period. This shows the criminality of the counterrevolutionary actions, which, unable to strike against EPS military targets, focus their attention on ambushes against vehicles, attacks against cooperatives and settlements, and murders and abductions of civilians. Regions 5 and 6 were the areas most affected by these actions. These actions caused 48 civilian deaths, 49 civilian injuries, and 11 abductions, including men, women, and children.

The following were the most significant criminal actions:

On 4 May, 10 peasants were abducted from Ciudad Antigua, Nueva Segovia Department.

On 12 May, a civilian light truck was ambushed in Piedra Larga, 10 km southeast of Condega, Esteli Department. A civilian was killed and another civilian was wounded in this action.

On 13 May, a civilian vehicle was ambushed in El Guabo, (?6) km northeast of Waslala, Matagalpa Department. Two civilians were wounded and another civilian was abducted.

On 16 May, the community of Comalapa, 23 km from Juigalpa, Chontales Department, was attacked. A civilian was killed and another civilian was wounded.

On 24 May, a power tower was blown up in El Zapotal, 4 km southeast of [place name indistinct], Matagalpa Department.

On May 25, a civilian vehicle was ambushed in [place name indistinct], 4 km northeast of Paiwas, Zelaya Department. Five civilians were abducted.

On 26 May, the settlement of Mancotal, (?8) km northeast of San Rafael del Norte, Jinotega Department, was attacked. A total of 15 structures, including the health center and the Rural Supply Center, CAR, were burned down. A tractor was burned, 10 civilians were killed, 8 were wounded, and 3 were abducted.

On 3 June, the settlement of Abisinia and the Las Delicias cooperative, 50 km north and northeast of Jinotega, respectively, were attacked. Twelve civilians were killed, and 10 civilians were wounded.

On 4 June, the Las Colinas settlement, 12 km northeast of Yali, Jinotega Department, was attacked. Seven civilians were killed and six were wounded.

Meanwhile, on 15 May, the U.S. Armed Forces concluded the "Solid Shield" [preceding words in English] maneuver. Its final phase included a naval and aerial landing on the Honduran Atlantic coast. Also, the "Terencio Sierra-87" joint Honduran-U.S. maneuver continues, with the construction of engineering projects in Honduras. The U.S. Air Force staged 14 radioelectronic and photographic exploration flights over our territory. These increased, compared to the nine such missions conducted during the previous period. Strategic command RC-135, S-130, and U-2 planes were used. Various kinds of planes flying in from neighboring territories violated our airspace more than 52 times. This marks an increase over the 40 airspace violations in last period. Their mission was to conduct exploration and supply actions for the mercenary forces.

Meanwhile, the U.S. Navy continues its actions of pursuit, exploration, and vigilance against our countries, through the permanent presence in Pacific waters of the ARL-24 Sphinx and (Nicor Navigaton), and in the Atlantic with the permanent presence of three or four naval units. There were also six reported territorial violations along the country's various coasts.

DEFENSE OFFICIALS DISCUSS CONTRA SUPPLY OPERATIONS

PA261626 Buenos Aires REUTER in Spanish 1657 GMT 22 Jun 87

[Text] Managua, 22 Jun (REUTER) -- According to Nicaraguan and Western estimates, the U.S.-financed supply flights for the anti-Sandinist rebels have transported more than 200 tons of equipment to Nicaragua since April, and the supply airdrops continue at unprecedented levels.

The airdrops for the contras have increased considerably since late March, after thousands of rebels, encouraged by a program of U.S. financial aid, crossed the borders and announced that they had launched a Spring [offensive] against the FSLN.

In an interview with REUTER, Major Adolfo Chamorro of the Nicaraguan Defense Ministry said that "since late March, there is at least one supply flight per day."

Chamorro, who works with Defense Minister Humberto Ortega, said that the Nicaraguan [word indistinct] to stop the air supplies are severely curtailed by the fact that most flights are carried out at night, which makes it difficult to hit the planes with antiaircraft fire and surface-to-air missiles.

Western diplomats who follow the contras' activities agreed with Chamorro's estimates on the airdrops, noting that there have been between 30 and 40 night flights since April.

Most of the shipments are transported on twin-engine C-47 planes with capacity for approximately 3 tons of cargo, which take off from Honduran airstrips.

Daily flights loaded to the maximum capacity would mean that a total of 225 tons of supplies have been shipped from April to mid-June.

Chamorro said that there are currently between 4,500 and 5,000 contras operating in Nicaragua, which is the highest number admitted by a Nicaraguan military leader since the war began 5 years ago.

The Sandinists point to the dependence of the contras on airdrop supplies to show that the rebels have reportedly crumbled without U.S. support, because they lack popular support needed to carry out successful guerrilla warfare.

The Sandinists have relentlessly crushed any popular support for the rebels. In 1985, they forcefully evacuated 30,000 civilians from areas at the northern border and during the past 2 months, they also forced some 6,000 civilians to abandon their homes in the south.

The evacuation created a combat zone of approximately 6,000 sq km extending to the southeast from Nueva Guinea to the Costa Rican border.

According to Wilfredo Barreto, one of the officials who participated in the most recent operation, the evacuation of the Nueva Guinea area led to an immediate increase in the frequency of supply flights which totalled 12 in a single week this month.

Sandinist officials said that in view of the virtual incapacity of the Sandinist Air Force to block such flights, the Army is trying to improve its techniques to determine the drop zones in order to seize the materiel being channeled to the contras in this manner.

In the newly depopulated areas in the south, rapid deployment units assure that approximately 1/4 of the U.S. materiel is now being seized.

TIRADO SAYS U.S. SABOTAGING PEACE EFFORTS

PA262100 Managua Radio Sandino in Spanish 1200 GMT 24 Jun 87

[Text] In a clear allusion to governments trying to change the path of the Nicaraguan revolution, Commander of the Revolution Victor Tirado Lopez said: The political, economic, and social systems of Nicaragua are not topics for discussion or negotiation.

Commander Tirado said that only Nicaraguans are called upon to determine the fate of Nicaragua. He said this during ceremonies to mark the 51st anniversary of the birth of Commander Carlos Fonseca, leader of the revolution, which was held in Matagalpa on 23 June.

He said that the United States, which is arming and financing Somozist counterrevolutionaries, is sabotaging a negotiated solution to the Central American crisis being promoted by area governments. As for the Costa Rican president's peace plan, Commander Tirado said that President Arias believes that to achieve peace the Central American area must be democratized, especially El Salvador and Nicaragua, where the war has left some 100,000 dead in the past 7 years. However, he added, President Arias' proposal excludes the contras from negotiations to achieve democratization, and this is being questioned by the United States, which sees El Salvador and Honduras as its main allies.

Every time there is hope of achieving peace, the U.S. Government creates walls and obstacles, Commander Tirado said.

He pointed out that Washington has also systematically sabotaged negotiation efforts being carried out by the Contadora and Support Groups.

Nicaragua is willing to hold talks with any Central American government and even with the United States to achieve a peaceful resolution of the Central American conflict, but these efforts must be within the framework of the Contadora and Support Groups, Commander Victor Tirado said yesterday in Matagalpa during ceremonies to mark the 51st anniversary of the birth of Commander Carlos Fonseca. Luis Aleman, our special correspondent, filed this report from Matagalpa:

[Begin recording] [Aleman] Nicaragua is willing to hold talks with any Central American government and even with the United States to achieve a peaceful resolution of the Central American conflict. However, this must take place within the framework of negotiations of the Contadora and Support Groups. Commander of the Revolution Victor Tirado Lopez reaffirmed this yesterday during ceremonies to mark the 51st anniversary of the birth of Carlos Fonseca, the top leader of the Sandinist popular revolution.

In commenting on the U.S. Government's meddlesome position, the member of the FSLN National Directorate pointed out that such a policy is aimed at fostering disagreement among Central American nations leading to an aggression against Nicaragua. In this regard, he pointed to the destabilization position of Reagan's policy: The idea of postponing the summit of presidents in Esquipulas came about after Philip Habib's visit to Central America.

Reaffirming the Nicaraguan people's right to self-determination, Commander of the Revolution Tirado Lopez pointed out that Nicaragua's fate is not a topic of discussion for foreign forces, but of the Nicaraguans themselves, as leader of the revolution Carlos Fonseca had pointed out. The "Extra Newscast" will now play a portion of the speech by Victor Tirado Lopez, member of the FSLN National Directorate:

[Tirado] When we accept invitations to meet with representatives of Central American governments, we do not subject such decisions to the will of any power; we do not need permission or approval from any other nation. The objective of the Reagan administration is clear: Instead of promoting agreement [words indistinct] among Central Americans, it is promoting disagreement to continue a war of aggression against Nicaragua and, at the same time, (?promoting) discussion about the internal regime. This is completely unacceptable, because this entails giving up our right to self-determination.

We will repeat this until exhaustion: Nicaragua's economic, political, and social systems are not subjects for discussion or political negotiation. Its fate must be determined only by Nicaraguans, as was stated by Comrade Carlos Fonseca in his various writings.

Nicaragua's self-determination was one of Carlos' aspirations. That is why the [words indistinct] of the Arias-Abrams plan are the conditional surrender by Nicaragua and the postponement of the Central American meeting. Because of a clear lack of imagination and with the shamelessness that characterizes Reagan's policy, it wants us to subject ourselves to its domination.

The revolutionary government and the Sandinist popular revolution are willing to hold talks with a Central American and Latin American spirit [reception lost] [end recording]

ARCE COMMENTS ON AUGUST PRESIDENTIAL SUMMIT

PA290408 Managua Radio Sandino in Spanish 1200 GMT 26 Jun 87

[Text] Commenting on the upcoming Central American presidential summit scheduled for 6 and 7 August, Commander Bayardo Arce, deputy coordinator of the FSLN National Directorate's Executive Commission, has said that Nicaragua would not have attended the foreign ministers' meeting which was postponed by the Tegucigalpa group. Arce said that if a summit had to be planned, it should be done within the framework of the Contadora Group.

[Begin recording] [Arce] We have always been open to a dialogue in the search for peaceful solutions. However, what we did say is that we would not agree to go back to the game of foreign ministers' meetings. These meetings are a waste of time. First it was said that the foreign ministers, including the Contadora and Support Group's foreign ministers, had been unable to find solutions after trying for years and that it was necessary for the problem to be broached by the presidents. Now that we are ready to attend the summit, some presidents claim that the presidents are not capable and that the foreign ministers should meet first. We are not willing to accept this game.

[Reporter] Commander, why did Nicaragua accept the postponement of the summit? Why was the announcement made in Panama?

[Arce] We accepted the postponement based on the principle that we will attend a presidential summit. If any preparations are necessary, then these must be made within the Contadora Group. We agreed to attend the summit because we have always been willing, and will continue to be willing, to hold dialogue and to seek peaceful solutions. We do not want to make an issue out of a date and we do not wish to hinder the search for peace. However, we cannot accept tricks or games such as the one involving the foreign ministers' meeting. What has to be done now is to hold the presidential summit or have the issue discussed within the framework of the Contadora Group and with the participation of the Contadora foreign ministers.

Why was the announcement made in Panama? Because Panama is a member of the Contadora Group. Despite its domestic problems -- with the destabilization plan that the U.S. Government tried to stage -- Panama continues to promote the peacemaking efforts of the group. This is what all the Latin American countries are doing. [Argentine] President Alfonsin and [Mexican] President de la Madrid have also expressed their opinions on this matter. The EEC also expressed its concern, everyone was concerned. Despite their problems, the Panamanians also were concerned and they invited us to a meeting to discuss their situation and the regional situation. Our president attended the meeting and all the points were cleared up. Now there is no excuse for avoiding the search for peace in the region.

[Reporter] Commander, now that the summit will be held in August and all the Central American presidents have said that they will attend, do you think that the fact that it was postponed could be described as a victory for the United States?

[Arce] The Habib-Duarte plan called for many meetings among the foreign ministers. There will be a meeting in August; however, they hope that the meetings of the foreign ministers will fail and that the summit will not be held. [end recording]

LA PRENSA, LABOR GROUPS DEMAND PAPER'S REOPENING

PA270147 Paris AFP in Spanish 2352 GMT 26 Jun 87

[Excerpts] Managua, 26 Jun (AFP) -- Workers of the newspaper LA PRENSA, and opposition labor and political leaders demanded here today that the newspaper, which was closed 1 year ago by government order, be reopened.

In a ceremony at the Nicaraguan Workers Federation (CTN), one of the two labor movements that comprises the alliance of the Nicaraguan Democratic Coordinating Board [CDN], the LA PRENSA workers union charged that "freedom of the press and information are restricted in Nicaragua."

"Here we are, despite the repression. We have managed to survive during this time thanks to the support of democratic organizations of Nicaragua, not the White House dollars or the KGB (Soviet state police) rubles, Guillermo Castrillo, secretary of the workers union stated.

The workers union of LA PRESNA and of Radio Catolica survive during this time thanks to the support of democratic organizations of Nicaragua, not the White House dollars or the KGB (Soviet state police) rubles, Guillermo Castrillo, secretary of the workers union stated.

The workers union of LA PRENSA and of Radio Catolica addressed a letter to the presidents of Guatemala, El Salvador, Honduras, and Costa Rica, demanding the "support" of these government.

The newspaper was banned from circulation on 26 June for an indefinite period by order of the Press and Information Directorate -- censor organization of the government -- after it was accused of "serving as internal spokesman for the policy promoted by the Reagan administration against Nicaragua."

Radio Catolica was also closed indefinitely on 1 January 1986 for violating the law on communications media.

While the ceremony was held at CTN headquarters with the attendance of about 150 people, about 20 members of the Sandinist People's Army outside ripped off some banners that had been posted on the front of the building carrying slogans repudiating the closure of the newspapers and caricatures with captions ridiculing President Daniel Ortega.

There was a small skirmish between the authorities and the opposition, but the ceremony was not interrupted. [passage omitted]

Meanwhile, Lino Hernandez, representative of the opposition Nicaraguan Permanent Human Rights Commission, said that in Nicaragua there is no freedom of the press, noting that "since 1982, 21 independent radio newscasts have been closed, as well as LA PRENSA and Radio Catolica."

Government spokesmen claim that the newspaper LA PRENSA is being financed from abroad by U.S. organizations connected with the Central Intelligence Agency (CIA).

FOREIGN MINISTRY LETTER TO SHULTZ PUBLISHED

PA301739 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Jun 87 pp a-1, a-10

["Text" of 27 June letter from the Foreign Ministry to U.S. Secretary of State Shultz; passages within slantlines published in italics]

[Text] Diplomatic relations between Panama and the United States /are not at the lowest level; however, "we are having some problems."/ This statement was made yesterday by Panamanian Foreign Minister Jorge Abadia Arias who met yesterday morning with U.S. Ambassador Arthur Davis to deliver a note protesting the recent U.S. Senate resolution, which he described as "as offensive intervention."

The foreign minister said Panama will continue "to defend its sovereignty, integrity, and dignity at all cost despite the sacrifice, and we hope they [the Americans] will stop and think and the situation will improve. No country wants to have tense relations."

"We do not recognize foreign judges or redeemers," Abadia said and added that Ambassador Davis' reaction was one of "dismay."

The resolution approved by the U.S. Senate on Friday, 26 June, asks that constitutional guarantees be restored, that the military separate themselves from the civilian government, and that a number of demands, made by the political opposition, be heard. The government has considered the resolution to be "inconceivable and unacceptable."

Abadia, who received the resolution approved by the Panamanian Legislative Assembly in which the legislators ask that Ambassador Arthur Davis be declared "persona non grata" and his immediate withdrawal from the country be requested, has left the final decision in the hands of President Eric Arturo Delvalle.

Even though he did not reject the possibility of a break in the relations with the United States, Abadia Arias said that he hoped "this will not be necessary."

"At this moment," Abadia added "it is not a matter of easing relations. The United States is the one who must work on this. Panama's duty is to defend its dignity, sovereignty, and the self-determination it has to chart its own destiny. Perhaps our countries' views are different."

It was learned yesterday that the Foreign Ministry had instructed all its representatives to regional and international organizations, like the UN, OAS, and the Nonaligned Movement (NOAL), to present Panama's protest for this "intervention," by a country in the domestic matters of another as it occurred recently with the resolution issued by the U.S. Senate.

The following is the complete text of the note issued by the Panamanian Foreign Ministry addressed to Secretary of State George Shultz. The note was delivered yesterday to U.S. Ambassador Arthur Davis.

27 June 1987
Republic of Panama
Panama
27 June 1987 [date repeated, as published]
Foreign Ministry
Office of the Minister
D.M. No 442
Mr Secretary:

It is my honor to advise the U.S. Government, through Your Excellency, of my government's position in view of the U.S. Senate resolution issued on 25 June 1987, regarding the Republic of Panama.

My government strongly and categorically rejects, in form and content, said resolution because it not only represents as unacceptable intervention in the domestic affairs of Panama, but is a threat against our sovereignty and independence, despite the attempts to cover up the treachery of the intervention and the arrogance of the threat with the well-known disguise of false libertarian ideals.

With deep indignation and a clearly justifiable concern, the Government of Panama will present, for the consideration of all the governments of the world, the seriousness of the threat contained in the whereas clauses of the resolution, which was approved to express the feelings of the Congress in regard to the support of human rights and the evolution toward a real democracy in Panama and, citing the resolution, "for other purposes."

If, within the context of the this resolution, the U.S. Senate dares to say that the safety and stability of the Republic of Panama are vital for the safety of all nations of our continent, my government must denounce this as a threat.

If the U.S. Senate continues to mention the presence of 9,000 U.S. soldiers in Panama, my government must denounce this as an attempt to remind us that aside from a foreign threat, we could find ourselves faced with a threat from within our own territory.

If the U.S. Senate continues to state that the unhindered operation of the Panama Canal is a matter of great concern for the Republic of Panama, the United States, and the free world, my government must declare that the U.S. Senate is coarsely and threateningly wielding the possibility of the use of force. At this point it becomes necessary to pause and remind the U.S. Senate that the Torrijos-Carter Treaties speak of a Panama Canal open to the peaceful transit of all the nations of the world and that the treaties do not make ideological discriminations.

If the U.S. Senate continues to state in its resolution that the evolution toward a real democracy with the freedom of expression, press, and meeting is in the best interest of the Republic of Panama and the peoples of the region, my government denounces the shady purpose behind this attitude of judge and redeemer because, aside from God, Panama, and surely the other peoples of the region, do not recognize foreign judges or redeemers.

If the U.S. Senate pontificates on the premise that democracy, governmental respect for international human rights, and internal stability are the best guarantee of security and of economic welfare in the Republic of Panama in the long run, my government will denounce any attempt to impose individual foreign criteria of what democracy is and what a government may constitutionally do to suspend guarantees in case of a national emergency. [paragraph continues]

My government considers it an open violation of the international rights of every state and of every people to resolve their internal problems without foreign meddling or interference and to decide for themselves, as sovereign people, how their security will be based and how to achieve their general welfare.

Mr Secretary, because the United States and the Republic of Panama are both compelled by international rights and by the 1977 Panama Canal Treaties to observe proper conduct as partners of the Panama Canao as well as to act in good faith in the fulfillment of the obligations agreed upon by the treaties, I will now list some considerations that I think are very important for the development of the relations between our two countries during the 12 and 1/2 years that still remain of the treaties.

In Note No 188 of 18 March 1987, which I sent the U.S. ambassador to Panama, I clearly warned about the danger of certain practices of State Department officials in drafting and providing the executive branch, the Congress, and the U.S. communications media with deceptive information, full of inaccuracies, distortions, and lies.

My government has been patient, extremely patient, as it has seen how a shameful strategy has been plotted, aimed at changing, replacing, and eliminating from the Republic of Panama those things that, in the current U.S. Government's opinion, are not suitable for U.S. security and economic power.

Since 1985 the conspiracy of different U.S. Government departments has become evident, as well as the indoctrination and manipulation of correspondents and news agencies aimed at weakening the Panamanian Government's position domestically and internationally.

My government has kept silent on many of these things and has postponed some of its demands and charges, ingenuously thinking that its good faith would be compensated with a rectification of the injustices and abuses it has been suffering. Now I call to Your Excellency's attention that my government knows that there is an effort being carried out by members of the U.S. Government to change or eliminate laws, rules of conduct, and regulations regarding certain activities, value systems, and the government structure itself.

A detailed explanation of that "effort" is in the U.S. State Department document titled /"Systematic Change as a Component of U.S. Foreign Policy,"/ [words within slantlines in English and italics] by Victor Basiuk. I am unaware, as a matter of fact, whether the existence of that document is known to the U.S. Congress, and I am also unaware of how it was drafted and how it can be placed into effect in U.S. internal legislation, since it contradicts the fundamental principles of the OAS and UN Charters.

Consistent with the close ties that -- regardless of the party to which the various respective administrations belong -- the historical links between our two countries have established by virtue of the Panama Canal, my government prefers not to mention other points, because it considers that in the current circumstances it would not be fair, given the delicate situation of world credibility that the highest spheres of Your Excellency's government are experiencing.

Nevertheless, it is necessary that my government's position be precisely defined in the sense that if the United States chooses to revive the imperialist language and policies that we thought had ended, the Republic of Panama will again raise the banners of liberation and anticolonialism. [paragraph continues]

Moreover, before the watchful conscience of the peoples of the world and in the face of the veiled and open threats about the use of force against national integrity, it warns that the generation of 9 January 1964 is still alive and holds leadership positions in the popular forces that are the majority in Panama.

Because in situations such as the one that has emerged between the government of Your Excellency and mine, the only forces that the Republic of Panama has in the face of U.S. might are the conscience and vigilance of the community of nations and the value that this conscience gives to the Panamanian people's willingness to make the utmost sacrifice in defense of their sovereignty and independence. Before continuing I must state that the content of this message will be sent to the foreign ministers of the United States and all European and Asian countries with which Panama has relations and to all the members of the Nonaligned Movement.

Mr Secretary, although at first sight this position might seem pretentious because Panama is such a small country without military or economic power, it is undeniable that neither truth nor justice is the exclusive privilege of the power. In such moments as these, it is essential that we weigh the repercussions on the future of democracy in America if the United States seeks to have the word democracy in a Latin American country be equivalent to its submission to the U.S. foreign policy guidelines and to the opinion and unilateral orders of the leaders of Your Excellency's country. That would be a very hard blow to the budding democracies and on the development of the desire for democracy in Latin America.

I think it is time to speak without double meanings and to reach agreement about the meaning of words. It is not advisable to let events occur without taking into account the state interests that have to be defended. I am sure that Panama and the United States can continue their Panama Canal partnership within a framework of reciprocal respect and that, in their effort to perfect the democratic institutions and the ideals of freedom and equality of human beings, each country, with its own characteristics, its own aspirations, its needs and limitations, its possibilities, and its dreams, can continue contributing to the moral, spiritual, and material progress of the peoples of the American continent and the rest of the world.

Mr Secretary, accept the assurances of my most distinguished regards and my highest personal esteem.

Jorge Abadia Arias, foreign minister

ABADIA ON DECISION ON U.S. ENVOY'S STATUS

PA010557 Panama City Panavision Television in Spanish 0517 GMT 1 Jul 87

[Text] The foreign minister of the Republic has said that it is up to the executive branch to withdraw the placet from ambassadors.

[Begin recording] [Reporter] Before Ambassador Davis arrived [in the country], there were some protests by certain sectors of the people who did not want him here. This is the second time that part of our people are protesting against the presence of Ambassador Davis. How do you feel about this?

[Foreign Minister Jorge Abadia Arias] Look, it is true that some sectors have asked that Ambassador Davis -- as an official of the U.S. Government -- be withdrawn from the Repubic of Panama. However, the final decision rests with the executive branch, which must evaluate the circumstances, and decide what is the most advisable thing for the country to do at a given moment. It is that decision that the people will either approve or reject. These decisions must be made in a calm and responsible manner, and with all due respect. Now, once this decision is made -- and when the decision is an intelligent one -- then these same people who are here today will support this decision. Therefore, it will be up to the executive branch to make this decision. [end recording]

Meanwhile, and concerning the rally [held on 30 June] to protest the U.S. Senate resolution that is considered an interference in Panamanian domestic affairs, Foreign Minister Abadia said the following:

[Begin recording] Look, this rally is a confirmation of our sovereignty, of our dignity as a free and sovereign nation. Here you are seeing thousands of persons who are not adopting an offensive or violent atittude, but rather an attitude that is defending their own dignity, their self-determination to decide on their own fate. That is what is occurring here in this tremendous rally of Panamanians. I think this is what this is all about. We want to be respected, just like we respect all countries of the world. When this respect is lost, then the people are offended and they take to the streets to fight for their rights. [end recording]

HAVANA INTERVIEWS ABADIA ON RESOLUTION REACTION

PA010157 Havana International Service in Spanish 0058 GMT 1 Jul 87

[Telephone interview from Panama with Panamanain Foreign Minister Jorge Abadia Arias by Gloria Carmona; no date give -- live or recorded]

[Text] [Carmona] First of all, we would like you to inform us about the current situation in Panama following recent developments, particularly regarding the recent anti-Panamanian resolution issued by the U.S. Senate.

[Abadia] Thank you Ms Carmona for your interest in Panama's domestic situation. We appreciate that. The situation in the country is absolutely normal at this time. All banks and business establishments are operating normally. Schools are also back to normal, the labor unions are all working normally. I repeat, normalcy has returned to the country.

As you know, last night the Honorable Panamanian Legislative Assembly included in its debate the suspension of guarantees; it decided to restore the constitutional guarantees throughout the country effective today. That has also contributed to normalizing the country even more, so to speak.

Regarding your second question on the U.S. Senate resolution, we have already informed the U.S. Government of our total rejection of a resolution that we feel was totally unnecessary, offensive, and absolutely unjustified. Panama's sovereignty cannot be negotiated in a foreign forum, nor can we -- under any circumstance -- permit foreign judges to decide our destiny for us. We have respectfully, yet strongly expressed this to the U.S. Government and to the rest of the world in diplomatic notes we are preparing.

[Carmona] We have learned through the international press that, as you told us, the Panamanian executive branch, the National Assembly, and the Defense Forces General Staff have rejected this U.S. Senate intervention in Panamanian domestic affairs. In this regard, we have also received a dispatch stating that U.S. Ambassador to Panama Arthur Davis was summoned to the Foreign Ministry to receive the official protest note. What was the tone of this meeting, and what were the results?

[Abadia] Yes, the U.S. ambassador was summoned by the Foreign Ministry at 1000 yesterday. We gave him a formal protest note from the executive branch and the Panamanian people for what we describe as unacceptable intervention in the domestic affairs of a sovereign country such as Panama. The ambassador was a bit surprised. I believe he was dismayed by the situation. The Panamanian Defense Forces also expressed their strong protest through the Foreign Ministry. The Honorable Legislative Assembly did the same yesterday. Through diplomatic channels, they have also filed a formal, clear, firm, and courageous protest. As you said, the executive branch has also protested through the Foreign Ministry. The president of the Supreme Court of Justice has also filed a strong protest note through the Foreign Ministry, rejecting the U.S. Senate's resolutiion. We believe this shows the world that the Panamanian Government is not divided, that it is more united than ever, that the Panamanian people are not divided, that they are more united than ever, and that we know exactly what our destiny is, and how to get there.

OVIDIO DIAZ ASSESSES WORK OF ADJOURNING ASSEMBLY

PA010447 Panama City Televisora Nacional in Spanish 0355 GMT 1 Jul 87

[Text] With the notorious absence of all the opposition legislators, as well as of top government representatives, the Legislative Assembly tonight adjourned its second legislative period, which began in March. Housing Minister Ricardo Bermudez was the only minister present at the closing ceremony.

The Assembly will have a 2-month recess, and will resume its sessions in September.

In summarizing the legislative work, Ovidio Diaz, president of the current legislative period, termed as heroic the Assembly's action of disclosing the identity of the Panamanians within the MODELO Group who were described as conspirators against the homeland.

Regarding the U.S. Senate's intervention in Panama's domestic affairs, Ovidio Diaz said:

[Begin recording -- broadcast in progress] ...because the conspiracy -- now at the international level -- is not over; it has not halted. It is still latent and alive through the arrogance of a U.S. Senate that wants to revive practices that we thought belonged to the past, and which demonstrate the U.S. belief that because it represents a poole of power -- it is unquestionably powerful -- our small country will yield to its mandates of interests. However, in those decisive moments, this Assembly acted with firmness and said no to the domestic sedition, and it will continue acting with firmness to say no to foreign sedition, no matter where it comes from, because the interests of the homeland come before anything else. [applause] [end recording]

ADVERTISEMENT RECALLS 1964 ANTI-U.S. PROTESTS

PA010430 [Editorial Report] Panama City Televisora Nacional in Spanish at the end of its regularly-scheduled 0300 GMT newscast on 1 July broadcasts a 30-second advertisement showing black-and-white footage of the January 1964 anti-American protests that produced several Panamanian "martyrs" and led to breaking diplomatic relations with the United States. The footing shows a classic clip of two students climbing over a fence into the canal area brandishing the Panamanian flag; people burning a U.S. flag, and others being rushed into a hospital on stretchers. Accompanying audio portion says: "From their graves, the unforgettable martyrs who gave their own lives to keep the flame of the battle for our sovereignty alive demand that no Panamanian surrenders in the face of the arrogant U.S. meddling." The clip ends by saying: "The legacy of our martyrs must remain intact."

ANTI-U.S. DEMONSTRATIONS IN COLON, PANAMA CITY

Demonstrations in Colon

PA010501 Panama City Domestic Service in Spanish 0408 GMT 1 Jul 87

[Excerpts] The Panamanian Government headed by President Eric Arturo Delvalle convoked a large demonstration at 1000 today to express rejection for U.S. interventionism in Panama's internal affairs. [passage omitted]

It was reported from the Atlantic coast that hundreds of thousands of people from Colon went to the Panamanian Foreign Ministry to patriotically express rejection of the U.S. intervention in Panama's internal affairs, and to denounce the turncoats who strongly long for U.S. Marines to disembark in Panama, just as they fatefully did in the small and defenseless Caribbean island of Grenada.

Yesterday, the patriotic people from Colon Province carried out a huge public demonstration along Colon's main streets, which ended with a meeting at the U.S. Consulate in Cristobal.

The demonstrators waved two big Panamanian flags and carried posters repudiating the U.S. Senate's intervention in Panama's internal affairs.

During that act of sovereign reaffirmation, some of the posters read: Let us not take one step backward in the defense of the national dignity; enough aggressions; Arthur Davis, leave Panama; etc. There were other posters, all of them were filled with patriotic slogans.

The Colon demonstrators, who yesterday expressed rejection of the United States, went to the Foreign Ministry to say a resounding no to those who want Panama to be another star on the U.S. flag.

'Attack' on U.S. Embassy

PA302051 Panama City ACAN in Spanish 1947 GMT 30 Jun 87

[Text] Panama City, 30 Jun (ACAN-EFE) -- A nationalist demonstration staged in front of the U.S. Embassy in Panama City attended by approximately 15,000 people, among them 8 ministers of state, turned into an attack with stones and cans of paint against that diplomatic legation.

As most of the ministers and ruling party leaders were leaving the area, groups of youths started throwing stones at the building and the parking lot. The stoning lasted approximately 1 hour and the bodywork, windshields, and windows of approximately 12 cars were damaged.

The ruling party coalition, headed by the Democratic Revolutionary Party (PRD), demonstrated before the Foreign Ministry. This demonstration was attended by approximately 30,000 people -- political party members and government employees.

During the demonstration, PRD President Romulo Escobar Bethancourt asked those present to go to the U.S. Embassy to "express their repudiation" against U.S. "intervention" in the domestic affairs of Panama.

The demonstrators marched from the Foreign Ministry to the U.S. Embassy, approximately 500 meters away, where approximately 15,000 people gathered.

The doors and windows of the diplomatic legation remained closed during the demonstration, and several soldiers were seen at one of the windows while they filmed and took pictures of the demonstrators.

According to one of the ministers and several witnesses, the ministers who attended the demonstration were: Government Minister Rodolfo Chiari, Agricultural Development Minister Hirisnel Sucre, Finance Minister Hector Alexander, Public Words Minister Rogelio Dumanoir, Housing Minister Ricardo Bermudez, Health Minister Francisco Sanchez Cardenas, Presidency Minister Nander Pitty, and Labor Minister Jorge Lee.

The demonstrators, most of whom carried Panamanian flags, chanted anti-U.S. slogans, such as "up and down, Yankees go to hell" [Arriba y abajo, Yankis al carajo] and "Yankee animal, out of the canal" [Yanki animal, sal del canal]. Before leaving the area, they sang the national anthem.

While demonstrators were leaving the area, a group of youths started throwing stones and bottles full of red paint against the embassy building and in the parking lot.

According to witnesses, 10 of the 15 cars in the parking lot were damaged.

During the demonstration the speakers asked the government to expel U.S. Ambassador Arthur Davis in reprisal for a resolution issued to the U.S. Senate, which asked the soldiers to refrain from interfering in civilian matters and requested General Manual Antonio Noriega be removed from his office while the charges against him are investigated.

The speakers supported the efforts of President Eric Arturo Delvalle, Gen Noriega, and the Defense Forces, who were the target of the antigovernment demonstration during the 2d week of June resulting in the implementation of a state of emergency, lifted last night by the Legislative Assembly.

PRD President Romulo Escobar Bethancourt said that U.S. and Panamanian political sectors have joined to "turn back the clock in the history of our national independence."

According to the Torrijos-Carter Treatise, Panama must take over the administration and operation of the canal in the year 2000. The government says that U.S. and Panamanian political forces are "plotting" to keep the canal from passing into Panamanian hands.

APEDE Offices Stoned

PA010114 Panama City Panavision Television in Spanish 0000 GMT 1 Jul 87

[Text] The Panamanian Association of Business Executives, APEDE, today reported an attack against its offices on Balboa Avenue. APEDE President Eduardo Vallarino said:

[Begin recording] This afternoon a group of well directed and well coordinated thugs once again attacked APEDE headquarters. This time they attacked it with paint and with stones. This was the same group that attacked the U.S. Embassy and Consulate, the Amador-Washington Library, and the offices of architect Ricardo Bermudez. After these attacks, the group came to APEDE.

We know this group was led by a person who came to APEDE several weeks ago. This person emerged [from a vehicle] and threatened us, trying to intimidate us with a machinegun. We wish to tell this group of people which is evidently tolerated [by authorities] that this organization will not be intimidated by provocations. Neither we, our members, nor our personnel feel intimated. On the contrary, we believe that the fact that our arguments of peace were answered with violence means that they [not further identified] have run out of arguments. [end recording]

Concerning the U.S. Senate resolution on the current political situation in the country, Vallarino said that it was more an act of solidarity than an instance of foreign intervention.

[Begin Vallarino recording] When people enjoy self-determination, one can speak of intervention. However, when people do not enjoy self-determination, one must speak of solidarity. This is so in every nation of the world where peoples have fought and struggled for freedom. They have sometimes needed international solidarity. The Polish people need solidarity; the dictatorships in Chile and other places need solidarity [sentence as heard]. Thus, all we need is the solidarity of the world. [end recording]

APEDE President-Elect Alfonso Herrara y Franco endorsed Vallarino's position. APEDE will remain firm in its efforts as part of the national Civilianization Crusade in the face of any violent action, Vallarino said.

Demonstrations To Continue

PA010323 Panama City Televisora Nacional in Spanish 0005 GMT 1 Jul 87

["Special report"]

[Text] Beginning at 0800, thousands of Panamanians regardless of political affiliation gathered in the capital, Chorrera, and San Miguelito. Approximately 50,000 demonstrators, mostly independent individuals, repudiated U.S. intervention in Panama's domestic affairs. Here is Maria Victoria Gonzalez with a complete report produced by our journalistic staff. We must stress that this television channel has confirmed that today's anti-U.S. demonstrations will continue tomorrow and on throughout the following days.

[Gonzalez] Starting early today, thousands of Panamanians gathered at the Plaza Porras to participate in Panama's mass protest over U.S. intervention in our domestic affairs.

People of all ages, social classes, religious beliefs, and political affiliations participated in the patriotic meeting to condemn the resolution issued by the U.S. Senate last Friday. Well-known political leaders were also present.

GOVERNMENT REQUESTS 'URGENT' OAS MEETING

PA010124 Panama City ACAN in Spanish 0040 GMT 1 Jul 87

[Text] Panama, 30 Jun (ACAN-EFE) -- Panama has today requested "an urgent meeting" of the OAS to bring charges against the United States for "interference" in that country's domestic affairs.

Panamanian Deputy Foreign Minister Jose Maria Cabrera told ACAN-EFE that the meeting is to be held tomorrow in Washington so that the "U.S. interference can be revealed."

Cabrera pointed out that "we are making use of our right to speak in that U.S. forum to report on U.S. intervention in our country's politics."

According to the diplomat, Panama expects to obtain "support and solidarity from the other Latin American countries" against U.S. interference.

Cabrera admitted that additional "protest strategies" are being planned, but he emphasized that severing diplomatic relations has not been contemplated.

The U.S. Senate approved a resolution on Friday recommending that democratic elections be held and that the military officers recently charged with corruption, abuse of power, and electoral fraud be dismissed from their posts.

The senatorial demand elicited violent popular protests this noon against the U.S. Embassy and other U.S. offices in Panama. The Deputy Minister said the protests had been "deplorable but justified."

The Panamanian Government's request was presented by Panama's ambassador to the OAS, Roberto Leyton.

CONATO LEADER ASKS FOR BREAK IN U.S TIES

PA281746 Panama City LA PRENSA in Spanish 28 Jun 87 p 1a

[Text] Rolando Ordonez, coordinator of the National Council of Organized Workers (CONATO), has been interviewed by LA PRENSA in connection with the U.S. Senate's resolution against Panama. Ordonez called for rejection of U.S. meddling in our internal affairs and a break in diplomatic relations with the United States.

Ordonez said that CONATO feels that the resolution is anathema to democracy desired by Panamanian people because it is aimed at achieving two objectives: to safeguard the life and status of U.S. citizens in this country; and to continue to subject us to humiliations by the United States.

"We feel that if we accept this type of resolution by the Americans we will go back to 1903; that is, we will have wasted 83 years of republican life," he reasserted, noting that no politician, student, or person conscious of this country's generational struggle for sovereignty can look favorably at this resolution.

In his opinion, this reveals that Americans will impose a president in this country in the year 1989 even though Panamanians want free elections without any national or foreign ties. "What we want is direct suffrage to elect the president and legislators in accordance with our interests and to to be subjected to political conditions by the U.S. Government.

On behalf of CONATO he expressed utmost repudiation for the Senate resolution and rejected it as a meddling in our politics. He expressed the feeling that the resolution deeply affects the purest blood in our veins.

He states that Panamanians, if they are serious and responsible about the interests of present and future generations, must respond by harshly criticizing the actions and by asking President Eric Arturo Delvalle to sever diplomatic relations with the United States.

Ordonez added that the president of our country and the president of the Legislative Assembly must jointly prevent the departure of a "Commission of Legislators" because CONATO feels that we Panamanians must not give any satisfaction to the U.S. Government concerning our problems.

"We generate our own problems and have the capacity to resolve our own problems," the labor leader said emphatically. He noted that his trade union reasserts its nationalistic stance of not allowing any foreign power [to meddle] in this country's political, social, economic, and cultural affairs and strongly objects to the resolution.

After discussing the U.S. attitude concerning Panama and comparing it with its attitude concerning Nicaragua, Peru, and other more belligerent countries, Ordonez said that CONATO is not surprised at this new act of meddling by the United States. The United States was merely waiting for an appropriate time to act.

He asked why the U.S. Senate has not taken similar action concerning the Sandinist government or the Peruvian Government, both of which are constantly clashing with U.S. policy and reject any kind of U.S. involvement in their internal affairs.

The CONATO leader also asked why Panama, which has maintained good relations with the United States and has traditionally been a good friend to the superpower, should be punished this way -- through economic blackmail.

"The U.S. Government wants to blackmail and to squeeze us to the extreme in economic matters to dominate us politically," he said.

The United States is using this tactic at a time when it knows that Panama is undergoing an economic crisis, which can be resolved if we become a nation subservient to U.S. interests. Ordonez insisted that in view of this the Panamanian Government must break its relations with the U.S. Government and "we, as Panamanians, must adopt heroic measures to solve our political and economic problems."

Parenthetically, he added that the political crisis continues in the country, and that as long as no heroic measures are adopted and the country's power centers do not desist from their attitudes the economic situation will continue to worsen and the workers will suffer the consequences.

CRITICA FAVORS RELATIONS WITH USSR, PRC

PA291903 Panama City CRITICA in Spanish 27 Jun 87 p 4

[Editorial: "For Friendship and Convenience With the Whole World."]

[Text] If there ever were a country with a duty, which is also a right, to establish relations with all races, nations, and peoples of the universe, that country is our own dear Panama.

CRITICA's basis for saying this is that Panama rented itself, cut its isthmus that is bordered by two oceans, so ships of all flags, including ours, could find on our shores peace, trade, neutrality and mutual convenience in dealings among nations.

Since 15 August 1914, the date of the completion of the ditch cut through 50 miles of heroism -- often recorded by poets -- we Panamanians have been proud of the fact that our country last witnessed civil strife on 22 November 1902, when its revolutionaries opted to sign the peace treaty aboard the USS Wisconsin instead of continuing to fight an enemy who could remain in power only with the backing of a foreign power. Written and spoken history states that the Conservative Party was defeated on the Isthmus of Panama, but Yankee troops intervened on their behalf. Since then Panama has experienced some outbreaks of social rebelllion usch as the Renters' Rebellion, the 1932 strike, the Cerro Tute incident, and the 9 January riots. However, Panamanians have never again taken up arms against each other, because we have followed the November [1903] thesis of "the fatherland above all political parties."

For all these reasons, we believe that the Foreign Ministry, duly authorized by the Executive and Legislative branches, which are the supreme powers in a democracy, should take the necessary steps to promptly establish positive relations with countries having different ideologies, such as the USSR and the PRC. That would be an act of sovereignty.

'NUMEROUS' OFFICERS RELEASED UNDER DUE OBEDIENCE

PY261831 Buenos Aires BUENOS AIRES HERALD in English 25 Jun 87 p 11

[Text] (NA-DYN) -- Former Army Major Ernesto Barreiro, who sparked an insurrection of Army officers last April, left prison yesterday after charges of killing 28 prisoners at an illegal detention centre were dropped by the Cordoba Federal Appeals Court on the basis of the due obedience law.

Numerous officers were released by federal courts all over the country after the Supreme Court on Monday confirmed the constitutional status of the controversial law.

The high court actually ruled the validity of the application of the law regarding the Camps case, releasing three defendants who had already been tried and convicted, but it set down a legal precedent for lower courts to invoke in other human rights cases.

Thus, the Federal Capital, Mendoza, Cordoba and Rosario Federal Appeals Courts released almost 200 officers named in different files of human rights violations.

The Bahia Blanca Federal Appeals Court, on the other hand, had earlier ruled the law unconstitutional and therefore decided to suspend proceedings in all cases of human rights crime charges against Fifth Army Corps officers and transfer the file to the Supreme Court.

Former Federal Police intelligence agent Juan Antonio "Colores" del Cerro was released yesterday from Magdalena military prison, where he was serving a rigorous preventive arrest slapped on him by the Federal Appeals Court due to prima facie evidence linking him to the torture of seven people at the El Banco and El Olimpo clandestine prisons while acting under the jurisdiction of the First Army Corps.

The Bahia Blanca court yesterday freed former presidential bodyguard Raul Guglielminetti without dropping the charges of torture and kidnapping filed against him. It also ordered the release of Retired Colonel Rafael del Piano, who is accused of killing two couples near Bahia Blanca.

San Isidro Judge Alberto Piotti considered that due obedience cannot apply to suspected right-wing terrorist Anibal Gordon, as Guillermo Kelly's 1983 kidnapping, with which he is charged, rates as common crime.

The Cordoba court is analyzing 815 cases of illegal repression which took place in Tucuman, after the Supreme Court ruled the former's competence. The Cordoba court is expected to announce several releases shortly.

The Swedish Government expressed regret over Navy Lieutenant Alfredo Astiz' release by virtue of the due obedience law, as the latter is accused of killing 17-year-old Dagmar Hagelin, a Swedish citizen.

Federal Prosecutors Julio Cesar Strassera and Luis Moreno Ocampo will today reportedly oppose the application of the due obedience law to the cases of several First Army Corps officers.

In reactions to the recent Supreme Court pronouncement, the Neuquen branch of the Permanent Assembly for Human Rights (APDH) asked President Raul Alfonsin to "respect the division of powers and set firm limits on military power."

They also asked that the president "uphold ethical imperatives" over "reasons of state," and claimed that the high court had condemned victims of terrorism to "eternal deprivation of justice." "Not even the preamble of the Constitution is respected by this law" according to the APDH.

But Misiones Governor Barrios Arrechea considered the Supreme Court ruling was "consistent with reality."

Writer Ernesto Sabato said he was "deeply saddened" by the massive liberation of accused officers, although he remarked that "it might sound arrogant for an ordinary citizen to reject a law sanctioned by Congress and upheld by the Supreme Court."

"It makes me sad to see great ethical principles and the Constitution, which condemns torture, overlooked" said the former chairman of the now-defunct CONADEP (National Commission on the Disappearance of Persons).

He admitted that the task undertaken by the CONADEP "sometimes seems a bit stupid, out of touch with reality." Nevertheless, he stressed that the entity "helped create a national awareness of the extent of the horror."

GOVERNMENT CONSIDERS WAVE OF RECENT BOMBINGS

PY262205 Buenos Aires BUENOS AIRES HERALD in English 26 Jun 87 p 11

[Text] (NA-DYN) -- President Raul Alfonsin held meetings with members of his government to consider aspects of yesterday's wave of bomb attacks on Radical Party offices around the country. Government House made no comment on recent events but said the President was in close contact with those investigating the incidents.

After his weekly meeting with the president, Lower House Majority Leader Juan Carlos Pugliese told journalists that "we do not know who is behind the bombing yet," adding that they could well be the work of either right or leftwing terrorists.

Interior Minister Troccoli held separate meetings with Federal Police chief Juan Pirker and Intelligence Secretary Facundo Suarez to analyze the available evidence of the bombings. Pirker reported that so far it has been possible to identify some of the explosives used in the 156 bombings, and judging by these results he was able to identify the perpetrators as coming from the extreme right.

This was possible, the Police chief explained, as the explosives were of a type used exclusively by the Armed Forces or in the mining industry and was not available on the open market. Pirker said this clearly indicated the political orientation of those behind the blasts, although he made it clear that it was not possible to indentify individual culprits at this stage.

Federal Judge Miguel Pons, who is in charge of these cases, confirmed that "no arrests have been made so far" and that the courts were awaiting the reports compiled by the security forces at the sites of the explosions.

So far, no clear motive has been found for the bombing wave although government sources believe that extremist elements are trying to create friction between the government and the Armed Forces, and point to the fact that the explosions happened within hours of the Supreme Court's due obedience ruling.

According to some security analysts the pamphlets found at the sites of some of the explosions which purport to be leftwing, are in reality rightwing; this is seen as a carefuly prepared scheme aimed at spreading a sense of insecurity among the population in the run-up to the September elections.

The other aspect of the bombing wave which is being carefully investigated is the apparently synchronized nature of the events, with all the explosions happening within hours of each other. This is seen as a sign of organization and the security forces are looking into the possibility that these events could be linked to the recent robbery of a highly sophisticated communications system from a farm in the province of Buenos Aires.

Finally, government sources have rejected the hypothesis that the bombing of Radical Party premises could be the work of disaffected members of that very party. These rumours were both "false and malicious," according to one party source.

In a separate, and so far unconnected episode, Buenos Aires police yesterday arrested a gang of thieves suspected of holding up the Water Board (OSN) offices in this city. A large quantity of weapons and explosives was also found when the police raided a house in Vicente Lopez. Police sources revealed that the gang was also thought to have close connections with extreme right-wing groups.

Police surveillance has increased as a result of the violent episodes of recent days according to central police office sources with increased numbers of police cars roaming the streets of the city. The federal police chief said last night that no special steps were being taken but that all security forces would be reinforced.

BRIEFS

NEW SWISS AMBASSADOR -- The Argentine Government has accepted the appointment of Karl Fritschi as the new Swiss ambassador to Argentina. He will replace Jean Pierre Keutsch, who held this post since 1982. [Excerpt] [Buenos Aires TELAM in Spanish 1400 GMT 29 Jun 87 PY]

NEW CHILEAN AMBASSADOR -- Buenos Aires, 29 Jun (TELAM) -- The Argentine Government has accepted the appointment of Sergio Gaete Rojas as new Chilean ambassador to Argentina. He will replace Arturo Fontaine Aldunate, who has just resigned. [Excerpt] [Buenos Aires TELAM in Spanish 1412 GMT 29 Jun 87 PY]

PDC EXECUTIVE BOARD ELECTED -- Buenos Aires, 27 Jun (TELAM) -- The new Christian Democratic Party (PDC) national executive board, which was elected in a convention recently in Buenos Aires, has been officially named. National Deputy Carlos Auyero will remain as PDC president. PDC leaders Esio Silveira and Alberto Aramouni have been reelected as PDC first and second vice presidents, respectively. Otelo Zamponi will be the secretary general. Carlos Castro Blanco will be the political secretary. Roberto Vallejos will remain as press secretary. [Excerpt] [Buenos Aires TELAM in Spanish 0257 GMT 28 Jun 87 PY]

GOVERNMENT DECLARES COB STRIKE ILLEGAL

PY300133 La Paz La Red Panamericana in Spanish 0000 GMT 30 Jun 87

[Text] The Ministry of Labor has declared illegal the 24-hour strike called [for 30 June] by the Bolivian Labor Confederation [COB]. During a news conference, labor Minister Alfredo Franco deplored the COB decision, adding that the Labor Ministry has delcared the strike illegal because it is unjustified. He warned that those who join the strike will be sanctioned.

The minister described the social benefits achieved by the workers through their labor struggle; he also listed the mistakes that the government made in connection with the social security system, adding that the MNR [Revolutionary Nationalist Movement] government is planning to correct those mistakes through a new system of social benefits, which labor leaders have unfortunately failed to understand.

The minister remarked that the financial situation of the social security fund was irreversibly [words indistinct] compelling the government to enforce a restructuring, in order to grant better services to the members.

Guarantees 'Total Normalcy'

PY300155 La Paz La Red Panamericana in Spanish 0000 GMT 30 Jun 87

[Text] In view of the strike decreed by the Bolivian Labor Confederation [COB], the government has stated that it will guarantee the total normalcy of public and private activities throughout the country. Interior Minister Dr Juan Carlos Duran has deplored that such a coercive measure should have been adopted during the course of the negotiations with COB leaders. He reiterated that this type of action is very harmful to the country, taking into account the serious crisis we are going through.

The minister said that the workers are not aware of the scope of the modifications that have been introduced into the social security system, and that those modifications will actually increase the workers' income.

What we have done, he said, is cut off a channel [words indistinct] affecting the management of the funds, which has often been reported by the COB leaders themselves.

DEFENSE MINISTER WANTS ARMED FORCES STRENGTHENED

PY302059 La Paz EL DIARIO in Spanish 20 Jun 87 p 5

[Excerpt] Referring to the position adopted recently by the Chilean Government in the wake of Bolivia's frustrated attempt to obtain an outlet to the Pacific Ocean, Bolivian Defense Minister Alfonso Revollo Thenier stated yesterday that "the Armed Forces must be strengthened immediately."

The defense minister stated, however, that this matter must be treated very carefully, trying first of all to strengthen the Armed Forces in order to forge a future that will permit the recovery of the seized coast.

Revollo Thenier stated: "I am optimistic regarding the activities of COFADENA [Armed Forces National Development Corporation] and COSSMIL [Corporation for Military Social Security], because the prospects for these institutions that are subordinate to the Armed Forces are encouraging, and they will facilitate the strengthening of the Armed Forces."

Referring to recent changes within the Defense Ministry, such as the case of the under secretary, Revollo stated that these changes have been made in compliance with orders given by constitutional President Victor Paz Estenssoro. He added that the current High Command has the support of the commander in chief of the Armed Forces [President Paz Estenssoro].

He added that the commander of the 8th Army Division, headquartered in Santa Cruz, will be designated within the next few days to replace Colonel Edwin Peredo, who was recently promoted to the post of under secretary of defense.

Revollo stated: "We will hold several meetings with the president of the Republic to discuss the activities of the Armed Forces." [passage omitted]

DRUG TRAFFICKERS TRANSFER TO NEW LOCATION

PY272307 Madrid EFE in Spanish 1939 GMT 27 Jun 87

[Text] La Paz, 27 Jun (EFE) -- Authorities of Guayamerin today charged before the government that their city, located in the Beni region on the border with Brazil, has become a new drug trafficking center and that Brazilian citizens are very active in the trafficking.

Groups of Bolivians and Brazilians, who organize the drug trafficking, have transferred their activities to Guayamerin, fleeing from the valleys of Cochabamba Department, where the antidrug agents called the Leopards are carrying out repressive operations, according to the city's municipal authorities.

UMOPAR [Mobile Units for Rural Areas] troops, better known by the name of Leopards because of the type of uniform they wear, and who are based in Cochabamba, have established advance posts in several of the Valley's areas and this has obliged the drug traffickers to seek quieter places to carry out their activities.

The Guayamerin authorities insist that cocaine is sent from this city to Brazil and Colombia and that this has caused intense movement in the area.

Deputy Migrations Minister Walter Gumucio today reported that a special governmet commission will travel to the area in order to verify the charges.

BRIEFS

KIEV OBSERVATORY DONATES TELESCOPE -- A new telescope, as well as a conference room and other facilities, will be inaugurated at the astronomical observatory in Tarija on 3 July. Eng Jose Antonio Zelaya, the director of the Tarija astronomical observatory, told Radio Panamericana that the telescope was donated by the Kiev observatory in the USSR by virtue of an agreement between the Bolivian Academy of Sciences and the Soviet Academy of Sciences. [Excerpt] [La Paz La Red Panamericana in Spanish 1700 GMT 25 Jun 87 PY]

GOVERNMENT DESCRIBES RIO INCIDENT AS 'RIOT'

PY010106 Brasilia Domestic Service in Portuguese 2200 GMT 30 Jun 87

[Passages within quotation marks recorded]

[Excerpts] The federal government believes that rioters were responsible for the disturbances that occurred today in Rio de Janeiro. This is what President Spokesman Frota Neto has said in this regard.

[Frota Neto] "The federal government believes that what happened today in Rio de Janeiro was a riot promoted by mobs that want to create an atmosphere that will undermine the democratic transition despite the efforts being made by the Sarney administration and the Constituent Assembly."

Frota Neto also confirmed that the federal government has ordered Army troops to occupy the Brazil Central Station. [The Pedro II railroad station]. He explained the reasons that have led the government to make this decision:

[Frota Neto] "It is to protect federal government property and to safeguard peace at the critical time when citizens return to their homes after work."

Moreover, the federal government believes the Rio de Janeiro State government has the means to control the situation. Frota Neto said the federal government trusts that the people will understand the violence that was promoted by rioters today in Rio de Janeiro. Moreover, Justice Minister Paulo Brossard has described the violent incidents that have been taking place in Rio de Janeiro since 26 June as "urban terrorism." [passage omitted]

[Brossard] "I believe this is another demonstration of urban terrorism, which is the only way to describe the use of violent means. I would like to stress that the use of violent means, like the holding of demonstrations, is something utterly antidemocratic and dangerous. Generally these incidents have a highly dangerous multiplying effect because they generate a response, and this is not good for anybody."

Asked whether there was any relation between the incident that occurred last week during the attack against Sarney's entourage and the Rio de Janeiro demonstrations, Brossard said that there is much similarity in the way the situations developed. As for the possibility that the federal courts will decree a state of emergency in Rio de Janeiro, Brossard said that everything will depend on how things develop in the future. [passage omitted]

Policemen Respond to Violence

PY010029 Brasilia Domestic Service in Portuguese 2200 GMT 30 Jun 87

[Report by Didner Rocha]

[Text] There were several violent incidents today in Rio de Janeiro. The demonstrations, which started at 1100, gradually deteriorated, reaching a climax between 1500 and 1600, when there were clashes between the police and the crowd. The police resorted to the use of tear gas, while objects were hurled from buildings, buses were set on fire, and shops were looted. There were acts of vandalism that Rio de Janeiro citizens have not seen in many years.

The violence was caused by an increase in bus fares. Therefore, the authorities believe that once the people learn that the latest increase has been suspended by a court order at the request of Mayor Saturnino Braga, the situation will return to normal.

The military police have placed over 11,000 men on the streets. The majority of them are concentrated in the most-affected areas, which were Rio Branco Avenue, the Maua Plaza, the Quince Plaza, and other places where bus passengers gather.

The military police were assisted by helicopters, while the fire department had to intervene to extinguish the buses that were set on fire. Downtown shops and banks closed at 1500. The greater Rio de Janeiro area and nearby suburbs were calm throughout the afternoon.

FINANCE MINISTER BRESSER ADDRESSES CONGRESS

PY301845 Sao Paulo Rede Bandeirantes Television in Portuguese 1255 GMT 30 Jun 87

[Address by Finance Minister Luiz Carlos Bresser to Congress from Chamber of Deputies in Brasilia -- live]

[Excerpts] Gentlemen, Deputies, Senators: I was summoned here by chamber of deputies President Ulysses Guimaraes to speak about the government economic policy. I had told him that I would be pleased to come here to talk with you. Especially after the new cruzado plan has been edited and before the macroeconomic plan is presented. I think it is very important to discuss with you the things that have been and will continue to be done with the economic policy. [passage omitted]

We were in a deep, financial crisis. A normal crisis, but a deep one nonetheless. A crisis with clear characteristics and symptoms. [passage omitted]

The financial crisis affected mainly the small companies, but it also affected large and medium-sized companies. Moreover, it affected the states as well. The crisis stemed from the euphoria triggered by the cruzado plan, which generated infinite expectations of sales beginning in April 1986. Since that date, a sudden immense demand made businessmen imagine that anything could happen in the field of sales. It was thought that anything produced would be sold. Therefore, it was necessary to invest.

On that occasion, the small businessmen, who are normally more optimistic than cautious, borrowed money at high interest rates and invested it. When the economy started cooling down in December, and sales dropped in January, the sales expectations fell and the businessmen still had to pay their debts. The businessmen incurred their debts last year with negative interest rates; then, interest rates were extremely low; but now they have become realistic. Because of this increase the companies suffered a financial crisis.

A similar thing happened to the states. In 1986 state revenues increased by 33 percent in real terms as a result of great demand that year. In August, state revenues increased by more than 50 percent, in comparison to the same period of 1985. In April of this year, the growth of the ICM [Merchandise Distribution Tax] was negative in comparison to last year. But when sales and the ICM increased, the states, of course, started to spend more.

They spent more to hire new employees -- and there is much populism in this -- they spent more for salary increases for existing employees. The governors exerted strong pressure for salary hikes, which they had long advocated but could not grant because of low state revenues. Then, suddenly state revenues increased. The states also spent more for public works. Naturally, the states suffered a financial crisis.

Now, the return of inflation has exacerbated the financial crisis of the companies and the country. Inflation not only provoked a great financial crisis it also caused a political or psychological crisis -- whatever you call this kind of crisis.

I am convinced that the return of inflation at the beginning of this year or the end of last year provoked the failure of the Cruzado Plan I, whose primary or sole objective, as I saw it, was to eliminate inflation. The failure of Cruzado Plan I was the greatest disappointment this country has ever suffered. [passage omitted]

Cruzado Plan I was a good plan. Its main goal was to fight inertial inflation. However, two important mistakes were made. The first was a failure to respect the microeconomic balance of the economy, that is, the equilibrium of relative prices.

Economists know that a balance of relative prices is essential for the correct operation of any economic system. The purpose of this equilibrium is to ensure that all sectors make approximately the same profits. This is essential. Any economist, whether he believes in the labor theory of value, the law of marginal utility, or the subjective value theory, must essentially agree that the law of values must be respected and therefore, relative prices must be in equilibrium.

The theory of inertial inflation itself is based on the theory of relative prices. In a price spiral, the people are constantly trying to reestablish a balance of relative prices which are being thrown out of balance all the time.

When prices are frozen at a certain level, as occurred on 28 February [1986], some of them will be caught unrealistically low, while others will be caught unrealistically high. It is obvious that relative prices will be out of balance. It is also obvious that some people will be making a lot of money while others will be losing a lot of money due to the price freeze. Evidently, a correction of relative prices is urgently needed, particularly if as a structural economist, you believe in inertial inflation and know that inflation is a real problem, with monetary consequences. Thus, keeping the currency in check is not enough. One must first take a look at the way the real economy works, and this is where relative prices come in, along with the profit margin of the businessmen, which must be balanced.

This was ignored during Cruzado Plan I. The main idea then was that the people's confidence in the plan came first. The important thing was to keep people believing in the Cruzado Plan. Therefore, prices could not be changed. No single price could be changed at the risk of jeopardizing the whole plan. Thus, the equilibrium of relative prices was not maintained. The economy was immobilized, frozen, put in a cast. This was a mistake.

This mistake was soon magnified by another problem: macroeconomic imbalance. What did this imbalance amount to? The cruzado plan was implemented at a time when the economy was growing. In fact, this growth began in 1984 and continued throughout 1985 and into 1986. This growth was fueled by the cruzado plan. First, because real salaries were increased, the government granted an 8-percent bonus to all workers and increased the minimum wage by 15 percent; and second, because consumers and investors became extremely optimistic in the light of the nationwide joy over the end of inflation. Thus, the optimism of the businessmen plus the growth of the workers purchasing power led to an increase of investment and consumption that had a multiplying effect within the economy. [passage omitted]

We entered a very strong financial, inflationary crisis. To this we must add a third crisis which is -- and I would like you to pay attention -- recession. Our economy clearly, undeniably, entered recession.

I assumed my post on 29 April. I then read a document dated 23 April -- if I am not wrong. It was drawn up by the economists of the IPLAN [expansion unknown] of the Planning Ministry. This document was a forecast for our economy in 1987. It said that our economy would grow 5 percent this year as a result of the large growth of the agriculture and financial sectors.

Now, according to the document, the industrial sector grew only 1.4 percent in April which already indicated a recession. The economists had forecasted recession in April. And one does not have to be a very good economist to realize this, because much earlier, in December, Celso Furtado, an excellent economist, said in a interview with the JORNAL DE SAO PAULO, I believe, the following: If inflation comes, recession will follow.

This is logical. Inflation annuls real salaries, disorganizes the economy, brings uncertainty to the businessmen who do not stop investing, and of course, fuels recession which was already under way.

Recession was first felt at the level of retail sales, which started declining gradually in January. Industrial sales remained high because the retail stores were restocking goods since they had sold everything by December. Their restocking process lasted for 2 months. But in May, or late April, the FIESP [Sao Paulo State Federation of Industries] began reporting on unemployment figures. [passage omitted]

Obviously, it was necessary to obtain a trade surplus; stop inflation, or at least reduce it significantly; and put an end to the financial crisis. All this had to be done urgently. We had to curb recession and ensure a minimum of economic growth. To accomplish this I worked out four different plans, or rather three plans and a half-plan.

The first plan was aimed at fighting inflation. It is now known as the new cruzado plan. The day President Sarney invited me to take over this post, I told him that this plan was the only solution available to us. I immediately started working on it, and 15 or 20 days later I told the president that the plan was ready for implementation, and that I would wait until 12 June to do so.

There was no other choice. The inflation was basically inertial, even though it had other causes, as well. Thus, another price freeze was essential. Nevertheless, this price freeze had to be different from the previous one. We could not make the same mistakes again and allow demand to increase as a result of an excessive strengthening of the purchasing power of the salaries. Neither could we have a rigid price freeze lacking flexibility and mechanisms capable of providing a way out of it whenever necessary.

It was also essential to include in the plan the initial steps toward a long-term solution to a basic problem afflicting the Brazilian economy. I have described a temporary crisis situation, but this country has two basic long-term economic problems. One of them is the extremely high foreign debt, which hampers development without actually stopping it, as long as this dept is properly managed and negotiated. However, in addition to its debt, Brazil has another basic structural problem, which is the loss of the country's capacity to save. This country used to save approximately 25 percent of the GDP in the seventies; now it manages to save only 16 or 17 percent of the GDP. [passage omitted]

It is now of fundamental importance to recover the Brazilian economy's capacity to save. It is absolute folly to imagine that one can make long-term investments in any country on the basis of increasing salaries and investments, putting off until later the accumulation of savings. This is possible in the short-term, provided there is idle capacity; but then idle capacity is used up, as happened last year, and you have to increase savings or investments will stop, and consequently there can be no economic growth. So we must increase the capacity to save, basically the private capacity to save.

Therefore, the new cruzado plan had as a second objective -- in additon to controlling inertial inflation -- to begin to recover the finances of the public sector. I strongly increased the public sector utility rates, which in the last 10 years suffered a reduction of 30 to 40 percent in real terms. A reduction of 30 to 40 percent in the price of electric energy and steel is madness, because it impedes self-financing of public enterprises. Self-financing of these enterprises is fundamental. But instead, these enterprises today are resorting to the state treasury, thus causing public deficit. They do not have losses, but they have insufficient profits, which force them to resort to the state treasury, and this assistance is insufficient for those enterprises to make investments. When we speak of public deficit, we are not talking of losses. We are taling of deficit in terms of volume of investments by the public sector.

In addition to this plan of inflation control and economic stabilization now being implemented -- about which I will talk more later -- I had to draw up a macroeconomic plan, a macroeconomically coherent adjustment plan. This plan, which is about complete, is required by any economy that is being administered as the Brazilian economy is. A plan of macroeconomic consistency is necessary for an economy with problems of internal adjustments, such as inflation and supply-and-demand balance. An economy which additionally has external problems, a balance-of-payments imbalance, must have a plan of macroeconomic consistency. This plan that is being prepared uses concepts which all macroeconomists, including those of the IMF, accept -- concepts such as trade-balance surplus, balance of payments, savings, investments, public deficit in terms of volume of financing by the public sector -- not in nominal terms, as the IMF used initially, but in operational terms, as the Brazilian Government was allowed to use in 1983.

Now, there is a fundamental difference between the macroeconomic plan that is being prepared and those the IMF usually approves. What is this fundamental difference? The fundamental difference is that the IMF -- and you should well recall that it was not so in 1983 -- establishes two primary objectives: increasing trade balance and reducing public deficit. There is a third objective to which the IMF is now attaching less importance: reducing inflation. In 1983, the IMF attached great importance to this. Now that the IMF has learned of inertial inflation, it attaches less importance to inflation. But the objectives of reducing public deficit and increasing trade balance are fundamental for the IMF. And what happens with growth? For the IMF, growth is a secondary effect. If it is negative, what do we do? It says that this negative growth, recession, is necessary so the economy can be adjusted in a given year. This is the basic philosophy of a macroeconomic plan which the IMF can approve. How is this philosophy different from that of our plan? We retain the objective of increasing trade balance, which is fundamental for the Brazilian economy, but we assert that the other primary objective is economic growth, that we want an economic growth rate that is compatible with a reasonable trade-balance surplus, although allowing for a trade-off between one and the other. This should be clear, because economics is a practice of trade-offs; you gain on one side and lose on the other side. So we want a reasonable economic growth rate that is compatible with a reasonable trade-balance surplus. Consequently, our objective for this year is a 5-percent economic growth in general, including a 3-percent growth for the industrial GDP; for next year, 6 percent, and then 7 percent in general for the following years, until 1991. Our objective for trade-balance surplus is $8.5 billion for this year, and $10 billion or thereabouts for the following years.

We believe that those two objectives are coherent and compatible, one with the other. Then we established that the public deficit reduction is important, but that it is no more than an operational or instrumental objective. We need to cut back public deficit because it throws the state finances into imbalance. It increases the state internal debt. The public deficit can create difficulties for financing that debt and eventually push interest rates upward. We then have several reasons for reducing the public deficit. All of you, gentlemen, should agree that we need to reduce public deficit at all cost. If the economy continues to go into recession, I will not pare down public deficit too heavily. [Announcer interrupts with 2-minute summary of proceedings and speech]

That is the macroeconomic plan's basic objective. Gentlemen, it is important that you listen and discuss the basic objective and ideas of this plan everywhere. Also, I had to draw a plan for assistance to small enterprises. This plan was implemented through a set of resolutions by the Central Bank, making a subsidized credit line of 60 billion cruzados available to small enterprises, fundamentally from private bank resources. [passage omitted]

Finally, I had to confront the foreign-debt problem and the imbalance of the balance of payments -- two problems that are closely linked, but different. In view of the imbalance of the balance of payments, which occurs when trade-balance surplus drops abruptly, when exports drop and imports increase, two alternate policies are possible. One of them is the policy of reduction of absorption. This means that recession is induced, internal economic activities are reduced, salaries are reduced, profits are reduced, and production is cut back. In this way, a surplus of production for export is created, on the one hand, and on the other, demand for import is reduced. Thus trade-balance surplus should increase.

But increasing trade-balance surplus through this method is extremely painful. This is what was done in 1983. But we also had something else in 1983: the other policy, which can be implemented together or separately. This is the policy of currency devaluation -- the one economists know as the elasticity approach, that is, to expand exports and shrink imports you change relative prices to favor the export sector of the economy through a real currency devaluation, a maxidevaluation.

All the studies on balance-of-payments adjustments which I carefully reviewed show the following: The currency devaluation policy is much more effective and less costly from the economic and social standpoint than the recessionary policy. The option I clearly made on 29 April, when I assumed the Finance Ministry, was to correct the foreign-exchange maladjustment we were suffering through a currency devalaution. I then made a devaluation of 7.5 percent, and another of 9.5 percent just recently. Thus I brought the cruzado-dollar parity to the ideal situation we had in 1984. I have no doubt that the choice to adjust the balance of payments is between recession and currency devaluation. I chose the latter. There is no third option. I don't know of anyone who can tell me how exports can be increased and imports decreased to recover the trade balance in any other way. Both ways have their cost. The greater cost of currency devaluation is that it brings about inflation, it accelerates inflation, this is why I made a moderate devaluation the first time, and the second time I made it in the middle of a price freeze, to hold down part of the inflationary effect of the devaluation, but not all the effects.

Discusses Moratorium Suspension

PY010137 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 30 Jun 87

[Passages within quotation marks recorded]

[Excerpt] '[Passage omitted] Answering questions posed by deputies after his address before the Chamber of Deputies, Finance Minister Bresser Pereira stated that the moratorium on the debt could be suspended, but he listed some conditions.

[Bresser] "The first essential condition is that the interest be financed for the next 2 years. And I do not want more than 2 years. The second condition is the reduction of spreads [previous words given in English]. But to reduce the spreads, it is essential to reschedule all our foreign debt, with longer grace periods, long-term payments, low interest rates, and extremely low spreads. The third condition is that we can increase our reserves. If we achieve all these conditions, then we will be able to suspend the moratorium."

The minister admitted that his plan will probably clash with some points of the PMDB [Brazilian Democratic Movement Party] program, and he cited an example:

[Bresser] "I have reviewed my position regarding the salary escalator clause, and I think the PMDB should withdraw this point from its program. It is a program prepared many years ago. I consider the PMDB program a bible, something I have to follow word by word; but it is something that was prepared several years ago, when the party was not the ruling party, and I think this program must be reviewed now." [applause heard in background] [passage omitted]

FPMR SWEARS TO AVENGE DEATH OF COMBATANTS

PY270338 Madrid EFE in Spanish 0055 GMT 27 Jun 87

[Text] Santiago, Chile, 26 Jun (EFE) -- The Armed Marxist group Manuel Rodriguez Patriotic Front (FPMR) today warned that it will avenge the death of 12 Chileans who at the beginning of last week were killed by security service agents in alleged clashes.

This is stated in a declaration that was issued by the FPMR national board and received today by several foreign media in Santiago. The declaration reasserts that "these deaths have not been in vain and they will not be forgotten." The declaration warns that "the FPMR, the just hand of the people, will reach all places to make justice."

The 12 deaths that are alluded to in the FPMR document occurred sometime between noon on 15 June and dawn on 16 June, in five different operations carried out in five different sectors of Santiago by National Information Center (CNI, the secret political police) agents.

According to the police report, the people in question were "extremist criminals" who died in shootings that ensued when they fired at the agents who were trying to arrest them. Witnesses and relatives of some of the victims denied the official police report by stating that there were no such clashes.

In the declaration issued today, the FPMR admits that several of the 12 who were killed were FPMR "combatants." However, it is also stated that three of them "were shot in the back without giving them a chance to defend themselves."

The declaration adds that another three were surrounded in their homes by dozens of agents and died after a "heroic resistance," while the other seven, who had been arrested the previous day, were the target of a "massacre" perpetrated by hundreds of agents at a house located in the Conchali neighborhood.

PINOCHET ACCEPTS RESIGNATIONS OF 2 GENERALS

PY010206 Santiago Radio Chilena Network in Spanish 2300 GMT 30 Jun 87

[Text] Captain General Augusto Pinochet, the chief executive, today accepted the resignations of two Army generals.

The people involved are Major General Claudio Lopez Silva and Brigadier General Arturo Alvarez Coglia. Maj Gen Lopez Silva resigned the post of 12th Region intendant and Brig Gen Alvarez Coglia resigned the post of head of the National Recruiting Directorate [Direccion Nacional de Movilizacion].

MATTHEI ON NEW LEFT-WING GROUP, ELECTIONS

PY010242 Santiago Radio Chilena Network in Spanish 2300 GMT 30 Jun 87

[Text] FACH [Chilean Air Force] Commander in Chief General Fernando Matthei has stated that the formation of the new left-wing group United Left [IU -- Izquierda Unida] shows how irresponsible and brazen these sectors are in trying to reconstitute the Popular Unity [UP] [led by late President Salvador Allende in 1969].

Following a government junta meeting, the FACH commander in chief stated that these sectors have led the country into disaster.

[Begin Matthei recording] I believe this is a routine political issue. I believe all Chileans have reached a final decision on this issue. I believe that now it is clear to all Chileans that the IU, or whatever you call it, just intends to restore the old practices of the UP, the sector whose actions led Chileans to ask for a military regime for a period in order to recover the country. Thus, I do not understand how they can be so brazen after the disaster into which they led the country. I think they should have a sense of shame. [end recording]

Asked about the number of voters who should be registered at the electoral registries for the electoral process to be valid, Gen Matthei said the following:

[Begin recording] Look, there cannot be an electoral process as long as we have not registered at least 70 to 80 percent of the Chileans who have a right to vote. Thus, I fully agree with the bishops and all those who are calling upon Chileans to register as soon as possible in the electoral registries. [end recording]

Gen Matthei said that Article 8 of the national Constitution has not been fully implemented as yet. This article deals with the punishment of parties or movements advocating totalitarian ideologies. Concerning this issue, Gen Matthei endorsed the promulation of a law effectively proscribing such doctrines.

In conclusion, the government junta member reiterated that the candidate for the [1989] plebiscite should be a civilian, although he admitted that achieving true democratic stability in the country is far more important.

BRIEFS

NEW TELEVISION CHANNEL DIRECTOR -- La Moneda Palace sources have disclosed that Colonel Carlos Krumm Rojas has been appointed new managing editor of Television Nacional, replacing Brigadier Oscar Vargas Guzman, who has been appointed deputy director of the Inter-American Defense Board, headquartered in Washington. [Summary] [Santiago Domestic Service in Spanish 1700 GMT 22 Jun 87 PY]

UNIVERSITY SATELLITE SERVICE -- The Medical School of the University of Chile has inaugurated a satellite communications service with the U.S. National Medical Library that will allow immediate access to information on the latest discoveries in the bio-medical field. [Summary] [Santiago Domestic Service in Spanish 1700 GMT 25 Jun 87 PY]

NEW AMBASSADOR TO ARGENTINA -- The Argentine Government has approved Education Minister Sergio Gaete's appointment as Chilean ambassador to Argentina, according to a Foreign Ministry spokesman. Current Chilean Ambassador to Argentina Arturo Fontaine will return to Chile next week. It is still not know when Gaete will assume his post in Argentina. [Excerpt] [Santiago Domestic Service in Spanish 1700 GMT 26 Jun 87 PY]

ARMED FORCES COUNCIL APPROVES U.S. TROOP PRESENCE

PA291823 Quito Radio Quito in Spanish 2300 GMT 25 Jun 87

[Excerpt] Today, General Medardo Salazar Navas, national defense minister, reported that the Armed Forces Council of Generals, which met on Wednesday, decided to support the presence of U.S. troops in our country.

Salazar said the economic and social benefits to the country and the general benefit to the Armed Forces influenced the Council of Generals to support unanimously the agreement to allow U.S. troops to continue with their work. Referring to the possible call by the National Congress to analyze the presence of the foreigners in the east, he said the parliament has not made any special request.

The minister, referring to the international affairs commission report, said that this organization was able to verify the work the reservists were doing and had found, surprisingly, that facts had been distorted. [passage omitted]

VARGAS PAZZOS OUTLINES GOVERNMENT PLAN

PA301358 Madrid EFE in Spanish 0021 GMT 29 Jun 87

[Text] Quito, 28 Jun (EFE) -- Today, General Frank Vargas Pazzos, presidential candidate for the Ecuadoran Revolutionary Popular Action Party (APRE), made an appeal to form a national unity patriotic front and presented his government plan to the media in the country.

Vargas Pazzos, whose candidacy is supported by the Broad Front of the Left (FADI) (pro-Soviet orthodox communism), became active in Ecuadoran politics in March 1986, when he headed two military rebellions against the government of President Leon Febres Cordero.

In his government plan, Gen Vargas Pazzos states that: "Ecuadoran society is living in an unprecedented situation of general crisis because the foreign dependency is more serious each day and the weak Ecuadoran democracy has been decaying systematically."

According to Vargas, this crisis is the result of "maintaining old structures and of the antinational and antipopular actions of the oligarchy, whose degradation is expressed today, particularly in the government of Febres Cordero."

Vargas Pazzos charges the chief of state with carrying out a neocolonialist policy and with worsening the economic crisis by adopting a series of economic measures that are against the people's interest.

Outlining his government plan, Vargas Pazzos noted the need to make a number of constitutional and administrative reforms. However, the document published in the media does not clearly establish at all the nature of such measures.

Regarding economic issues, Vargas Pazzos advocates strengthening the state sector by implementing a "democratic agrarian reform" and by protecting national industry.

Concerning international policy, the general charged Febres Cordero with isolating Ecuador in the Latin American and world context, and he pointed out the need to establish friendly relations with all governments in the world.

At the same time, Vargas Pazzos announced that he is in favor of a "negotiated resolution of the border problem with Peru," and he declared invalid the Rio de Janeiro protocol signed between the two countries in 1942, through which Ecuador lost 270,000 square km in the Amazonas region.

GOVERNMENT APPOINTS NEW FINANCE MINISTER

PA271801 Quito Radio Quito in Spanish 2300 GMT 24 Jun 87

[Excerpt] Today at noon the new finance minister, Rodrigo Espinoza Bermejo, was sworn in by President Leon Febres Cordero. Minister Espinoza is replacing former Finance Minister Domingo Cordovez who resigned yesterday. Minister Cordovez' resignation was accepted by President Febres on Wednesday morning. Finance Minister Rodrigo Espinoza said he will work hard for the good of the country's economic development. Several ministers and government officials were present at the swearing-in ceremony. [passage omitted]

AGRICULTURE MINISTER DENIES RESIGNATION

PA301338 Quito Voz de los Andes in Spanish 1230 GMT 28 Jun 87

[Text] Ecuadoran Agriculture Minister Marco Espinel has denied that he is going to resign, and he added that he will remain in his post as long as the president of the Republic wants. That was his reply to rumors about him occupying another government position.

Espinel announced that during its Wednesday session in La Tacunga, the Monetary Board approved a 1.8-billion sucre loan for the marketing and mobilization of the coffee harvest. This plan joins a previous 700-million sucre loan given by the Monetary Board.

Similarly, Espinel said that 300 million sucres will be alloted for the replanting of sugarcane fields. Espinel added that for the time being, the government has no plans to revise prices of agricultural products and that the prices of over 17 items will continue to be frozen. He added that those prices were established by the economic front in order to protect consumers' budgets.

CEPE OFFICIAL ON SELF-SUFFICIENCY IN FUEL

PA270441 Quito Radio Quito in Spanish 2300 GMT 24 Jun 87

[Text] During the ceremony to receive the Amazonas refinery mechanical installations, Carlos Romo Leroux, general manager of CEPE [Ecuadoran State Petroleum Corporation] said that for the first time in 30 years, after being a fuel importer, Ecuador will be self-sufficient. He said that with the increase in the capacity to refine 10,000 barrels of oil per day by the Amazonas refinery, in addition to the 40,000 barrels refined at the Esmeraldas refinery, Ecuador is to be self-sufficient in fuel. He added that this is a base for the country's social and economic development. Romo Leroux stated that despite the natural disaster in March, the mechanical works continue normally.

REFUGEES FLEE TO GUIANA TO ESCAPE ARMY OPERATION

PM301523 Rotterdam NRC HANDELSBLAD in Dutch 20 Jun 87 p 1

[Unnamed "own correspondent" dispatch: "Maroons Flee From Bouterse's Army"]

[Text] Paramaribo, 20 Jun -- In the last few days large groups of Maroons from the Surninamese interior have been fleeing to French Guiana and to the last remaining strongpoints held by Ronnie Brunswijk's Jungle Commando in eastern Suriname after "cleanup operations" by Bouterse's National Army. Helicopters have also been used in these operations by Bouterse.

There have been an as yet unknown number of civilian casualties in these operations. Whole villages have been razed to the ground and in large areas of the interior starvation is rife. Bouterse's troops are blockading all roads from Paramaribo to the interior and are halting all food transports to the villages of the Maroons and Indians because they want to prevent food from going to "Brunswijk's gang."

Several thousand inhabitants of the forests of the interior have sought refuge with family and friends in Paramaribo, where the food situation is difficult, but not impossible as yet. People stand daily in long lines outside the shops waiting for necessities like bread and milk.

However, a much larger group of Maroons is traveling along footpaths, which the National Army is unable to reach, from the interior toward French Guiana. South of the large Lake Brokopondo thousands of people with a few possessions and little food are traveling along these paths to the Marowijne River. They are trying to reach Brunswijk's headquarters on Stoelmans Island or are fleeing to the reception camps on the French Guiana side of the river.

TOP LEADER SPLITS WITH RESISTANCE COUNCIL

FL301438 Bonaire Trans World Radio in English 1130 GMT 30 Jun 87

[Text] A top resistance leader in Suriname, Henk Chin-A-Sen, has split with the resistance group set up in the Netherlands to oppose the military government in Suriname. The split follows charges and countercharges from different members of the resistance council. Mr Chin-A-Sen not only announced that he was quitting the council, but said he did so with the agreement of one of the two leaders of the Armed Resistance, former Army Sergeant Ronnie Brunswijk. Quitting along with Chin-A-Sen was the self-styled personal representative of Sergeant Brunswijk, (Eddie Josephson). The two had received criticism from other members of the council for being, as it was said, too independent in drumming up international support for the Brunswijk commandos. And questions have been raised in connection with the disappearance of quantities of money which had been raised for the purchase of weapons.

DEATH OF ACTING BATTALION COMMANDER REPORTED

FL161211 Paramaribo International Service in English 1730 GMT 15 Jun 87

[Text] On Friday last, Lieutenant Colonel (Rene Desire Remfelt) died at a military hospital. At the time of his death he was the acting battalion's commander. Lt. Col. (Remfelt) began his career in Holland where he was in service for 19 years until 1960. Since then he was in permanent service of the army of Suriname.

On April 4th, 1983, he was transferred from the marine wing to the staff company of the cabinet of the commander. Since July 1st, 1986, Lt. Col. (Remfelt) held the position of acting battalion's commander when former Commander (Bhagwandas) left the army.

POLITICAL COOPERATION TALKS IN ADVANCED STAGE

FL302030 Paramaribo International Service in English 1730 GMT 30 Jun 87

[Text] The talks aimed at the political cooperation among the VHP [Progressive Reformed Party] NPS [Suriname National Party] and KTPI [Indonesian Peasants' Party] are in an advanced stage. At the moment there is nothing which could cause an obstacle for the realization of such a cooperation. This was stated by NPS chairman, Henck Arron, during a meeting of his party over the last weekend in the Nickerie district. NPS [words indistinct] (Otmar Rodgers), who also spoke at the meeting, said the people don't have to entertain doubts about the words of government leader Bouterse regarding the November election. The attitude of the government leader in the dialogue with the political parties doesn't give up any reason to entertain doubts that Bouterse will not keep his word, said (Rodgers), who further said that Bouterse is a man of his word and honor. The NPS called on the people to agree unanimously with the draft constitution.

BANK ADVOCATES FUTURE DEVALUATION OF GUILDER

FL302021 Paramaribo International Service in English 1730 GMT 30 Jun 87

[Text] The Surinamese guilder must be devalued to bring order and stability to the chaotic situation regarding the value of our currency. This conclusion could be drawn from the recently published report of the Suriname Bank. The bank further said that the extent of the devaluation is yet to be studied because it depends on a number of factors.

Devaluation, according to the bank, will not bring immediate solutions to the problems confronting the country; it also will not lead to more exports in the agriculture and fishery sectors. According to the bank, we first need to expend the production capacity. The bank finally advised the use of different exchange rates for the sectors which do not make profits on exports, but are able only to cover production costs, while in the meantime, investments must be made to reach capacity extension.

MALARIA OUTBREAK REPORTED IN SARRAMACCA DISTRICT

FL302023 Paramaribo International Service in English 1730 GMT 30 Jun 87

[Text] An outbreak of malaria epidemic has been reported in upper Sarramacca district. Professor (Boutes Oosburg) of the Bureau of Public Health Care says scores of malaria patients are now being hospitalized but the precise number of patients is not yet known. Since the terrorist activities approximately 1 year ago in the interior, the control and destruction of malaria has been seriously hampered. The Bureau of Public Health Care earlier predicted that under these circumstances an epidemic would break out. The professor finally said, that a team from the Bureau of Public Health Care is leaving for the Sarramacca area for on the spot orientation.